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THE WEEK.

Seasonable weather more than offset the effect on business conditions of increased strife between labor and capital. Low temperature and snow brought out the backward demand for heavy weight wearing apparel and rubber goods, restoring the one lagging trade factor, and the other departments of jobbing and manufacturing continued vigorously engaged in preparing for the future, except where a few strikes produced hesitation. Thus far these struggles have not affected any large percentage of the wage earners, while in other industries the higher scales effective January 1 have added to the purchasing power of many thousand workers. Railway blockades cause complaint in several important centers, yet earnings for December were 8.2 per cent. larger than in 1904. Foreign commerce returns at this port for the last week showed an increase of \$3,233,053 over the exports a year ago, while imports decreased \$979,447—a trifling loss after the sensational gain of the previous week. Annual reports are surpassing expectations in most cases, and settlements are made with desirable promptness. Dun's Index Number showed a slight decline in prices of commodities during December, the new year opening with \$104.464 against \$105.312 a month previous. Money markets have returned to a more normal position, but rates are still firm, and a sharp rise in foreign exchange suggests exports of gold in the near future, but this has not prevented

the average of the sixty most active railway stocks from establishing a new high record. Bank exchanges at New York were 38.2 per cent. larger than in the same week last year, while at other leading cities the gain averaged 18.7 per cent.

Several advances in quotations of steel shapes testify to the pressure that is felt in some divisions of the iron and steel industry, and it is especially gratifying to note that there is no evidence of speculative influence in the gains of one or two dollars per ton for sheets, plates and wire products. Inquiries in these departments have merely surpassed the supply available for prompt delivery. Thus far little interruption to structural work has appeared, despite less favorable weather and some controversy between employer and employed. Much bridge material is sought, and numerous large structures already under way or in contemplation assure the mills of a ready demand for all they can produce for some months. The only adverse price change was a reaction in refined bar iron, the recent advance failing to hold because new business did not appear in the anticipated volume. Rail mills were offered a further large tonnage, much of the inquiry being for trolley roads. Some misapprehension exists regarding the statistics of pig iron output compiled by the *Iron Age*. Although the December production of 2,052,397 tons fell slightly short of the October record, it is only the natural result of year-end repairs and inventories, and does not indicate diminished demand. Weekly active capacity on January 1 was 466,302 tons, against 475,814 a month previous, but when work is resumed at all the furnaces there will probably be a return of record breaking figures.

Conditions show distinct improvement in the textile industries, business increasing as stock taking is concluded, although buyers are still somewhat scarce in the primary markets for cottons. The raw material situation is considered a supporting influence, the trade believing that the ginners' report does not promise lower prices. Most of the cotton mills are sold far enough ahead to be independent, particularly as there is a general belief that stocks are low in all positions. Early in the week jobbers were hoping for concessions, but toward the close they found it difficult to operate at old quotations for remote shipments, which may be attributed in part to a better export demand. Sheetings were taken by China, but the prices were not announced. Little change is noted in woollens, strong prices ruling for additional lines of heavy weights that have been opened for next season, and men's wear agents express confidence in active trading when the market is fully opened. There is less discrimination in favor of worsted fabrics, which means better distribution of business.

Irregularity has appeared in the hide market, branded hides being sold far ahead, while country hides are steady in the face of larger offerings, but some concessions are noted in packer varieties. It is difficult to record any definite change in quotations, although it is known that buyers cannot be found at the high record prices recently quoted. Trading is confined chiefly to buffs, heavy cows and foreign dry hides, which are readily absorbed as they arrive. Dulness rules in leather, buyers looking for easier prices. The situation is less firmly established owing to a decreased inquiry from shoe manufacturers, and the future must depend upon the action of shoe buyers in the Boston market during the balance of January. Thus far the only pronounced decline in quotations have occurred in heavy union sole and Texas oak sides. Representatives of western and southern footwear jobbers are negotiating for initial case lots of fall shoes in the Boston market, and as interior stocks are believed to be limited, sales are expected to reach liberal proportions.

Narrow fluctuations occurred in the leading farm staples, the general tendency being toward greater strength. After the Census Bureau's ginning report appeared, cotton options rose moderately because the indicated yield fell below ex-

pectations. On the actual returns up to the end of the calendar year it was estimated that the final yield would be between 10,250,000 and 10,750,000 bales, according to what extent the crop was being held back. Domestic spinning is active, and exports compare well with last year's. Grain markets responded to weather conditions in the winter wheat region, where some damage was feared, and movement was also interrupted to some extent. These factors, together with some unfavorable news from Argentina, more than neutralized the effect of the liquidation of a long line of options in the Chicago market. Western receipts of wheat were 4,370,895 bushels for the week, against 3,288,501 last year, and exports from all ports of the United States, including flour, aggregated 4,246,277 bushels, compared with only 708,568 in 1905. Interior arrivals of 3,950,018 bushels of corn made a close comparison with the receipts of 4,335,603 a year ago, while Atlantic coast shipments were 5,970,811 bushels, against 3,047,328.

Liabilities of commercial failures thus far reported for January amounted to \$2,173,227, of which \$698,730 were in manufacturing, \$1,373,497 in trading and \$101,000 in other commercial lines. Failures this week numbered 309 in the United States against 324 last year, and 51 in Canada compared with 28 a year ago.

WEEKLY TRADE REPORTS.

Boston.—Leading industries have been fairly active since the opening of the year, and machinery generally is as fully employed as in the closing weeks of 1905. Shoe factories and cotton and wool goods mills start the new year with a good volume of contracts, which will keep them busy for some weeks to come. Merchandise markets are generally quiet, though as active as expected thus early in the year. Deliveries by jobbing dry goods houses are large, with ginghams playing an important part in the movement, as well as in new business. The lumber market is quiet and firm, with prices tending upward and higher on some kinds. Stocks of leather are small and the demand is expanding. Paper trade is quiet, though the printers' strike has had no apparent effect. The pig iron market is very firm, with improved inquiry noted. Finished iron and steel products are quiet and held at strong prices. Wholesale and retail trade in anthracite coal is good, but soft coal is quiet. Tobacco trade is good. The flour market rules quiet, and purchases are confined to actual needs of the trade, who look for lower prices, but mills are strong and tend to advance rather than reduce limits. Domestic demand for coarse grain is steady. Grain exports for this week are the heaviest for a long time, amounting to 679,714 bushels, and including 490,000 bushels wheat and 100,000 bushels barley besides small quantities of corn and oats. Exports of provisions and other products are also heavy. The money market is showing an easier tendency, with call loans at 7 to 8 per cent. and time at 5½ to 6 per cent.

Worcester.—Retail trade is better at this time than a year ago, and the leading stores are kept busy with mark down sales of winter goods. Labor is exceptionally well employed and full confidence is expressed in the general outlook. Manufacturers of wire and wire specialties are busy as are manufacturers of machinery and machinists' tools. The demand for fancy worsteds continues strong, with a much larger volume of business than a year ago. Corset manufacturers and manufacturers of muslin underwear report a large output. Money is tight, with time loans at 6 to 7 per cent.

Philadelphia.—The Philadelphia wool market is firm, but quiet and in sellers' favor, and dealers do not show any inclination to shade prices in order to close sales. Manufacturers of textiles are generally well employed, the only exception being in ingrain carpets and upholstery goods. In the latter line there has been considerable improvement,

and machinery that has been idle for almost the entire year of 1905 has been put in operation. Manufacturers of clothing and ladies' suits and cloaks are making active preparations for the coming season. Manufacturers of shirt waists are booking large orders for the spring and summer. Business is fair with wholesale dry goods houses and collections have been good. The iron and steel market continues very strong. The continuance of good weather has been favorable, and production and consumption continue large. Inquiries are increasing and mills are full of orders. The coal business is active and the collieries are working to full capacity. Bituminous coal is also active and the consumption continues large. Dealers in electrical goods are having a good business. Inquiries are numerous and general conditions are satisfactory. Stove dealers are busy and machine shops and consumers of iron and steel are well employed.

Leather trade is fair. The glazed kid trade is active in all lines and lighter weights are in better demand. Local shoe jobbers report better sales and rubber footwear is in more demand. Weather has interfered with building operations, but manufacturers of and dealers in building materials report that the demand still continues to exceed the supply. Drugs and chemical dealers are active and prices are firm. Paint and color dealers are doing a moderate business. Trade is normal with wallpaper manufacturers and dealers, but payments are slow in some quarters. Trade has been satisfactory with wholesale paper dealers. Advance orders for spring goods in millinery are coming in satisfactorily from salesmen in the South and West. Trade in spirits is moderate. Domestic leaf tobacco is scarce at high prices. There is a fair demand for good grades of Pennsylvania, Ohio and Wisconsin tobaccos, but the supply here is limited. Sumatra and Havana tobaccos are quiet. Jobbing grocers, commission merchants and brokers have had a good season's business. Prices on staples have been firm, but the demand is small. Sugars, syrups and molasses have been in seasonable jobbing request. The local coffee market is inactive, with prices favorable to buyers. Manufacturers of fertilizers and dealers in agricultural implements have been booking orders steadily for spring delivery. In the money market funds are increasing. Rates rule at 6 per cent. for call loans and 5½ to 6 per cent. for time money.

Pittsburg.—Trade conditions are satisfactory. Dry goods are seasonably quiet, but sales thus far are ahead of last year at this time. Jobbers look for a good year and believe prices will be well maintained. Hardware is moving fairly well in seasonable lines, but purchases are not heavy. The coal market has been stimulated by cold weather and the majority of the mines are running steadily. Rail shipments are heavy and river operators are preparing for a large shipment as soon as river conditions are favorable. Shipments of bituminous coal on the Pennsylvania lines east of Pittsburg and Erie for 1905 aggregated 30,386,521 tons, compared with 27,045,243 tons in 1904. There was an increase in the tonnage of coke on the same lines over the previous year of 2,641,534, or a total for the year of 11,327,153 tons. There is a good demand for lumber, as weather conditions have not as yet materially interfered with building. White pine is quoted at \$85 to \$90, yellow pine \$28 and lath \$6. Independent window glass operators representing about 1,800 pots are meeting here at this writing to organize an association. Window glass is selling at low prices, and the purpose of the present meeting is to rearrange working and other conditions suitable to the present state of the market.

Baltimore.—Wholesale lines are becoming more active, and shipments are up to the standard for this season. Clothing manufacturers report sales of light weights slightly ahead of last year's, and prices are higher, but collections are not up to expectations. The spring season in dry goods has not fully opened, but salesmen on the road are sending in fair orders, and reports from the South indicate that conditions in that section are very favorable. The week in

boots and shoes has been only moderate, but sales of rubber footwear have been large, owing to the inclement weather. Manufacturers of straw hats are very busy, and there is a brisk demand for skirts and shirtwaists. Owing to the holidays, trade in lumber at wholesale has been quiet, though prices are firm and money easy, and prospects for the current year are exceptionally good. Machinery supply dealers report a good volume of business, and better collections than for some time past. Furniture factories are fairly busy, with prices unchanged and collections improving. Wholesale trade in drugs and chemicals is improving, though collections are unsatisfactory. The leaf tobacco market is inactive, money is tight and prices high. Manufacturers of harness are doing a brisk business. Collections are prompt and values strong.

Louisville.—Harness and saddlery manufacturers have had an excellent season, the volume of business being larger than last year, and collections have been satisfactory. Fertilizer manufacturers are in the midst of the dull season, but contracts have come in freely for spring goods. Tanners have sold for December fully 10 per cent. more than the same month last year. Orders are coming in freely for paints, oils and varnish, and collections are good. Sales of drugs are satisfactory. There has been a decided falling off in orders for shoes. The week has been dull in dry goods and clothing. Whiskey has been quiet since the first of the year.

New Orleans.—Trade in all lines has been seasonable and up to expectations. The movement of merchandise is fairly good. Reports which have just been received from the oil fields of Louisiana indicate that they have had an unusually good year, the production for 1905 having been 10,127,823 barrels, against 6,575,527 for 1904. Receipts of building material for the past six months were largely in excess of the same period last year. The real estate market continues active, building trades are also active, and the demand for all classes of building material is very good. Exports for the month of December, especially of grain, have been very heavy. There was also an unusually large amount of lumber and logs exported. The rough rice market has been quiet, with receipts fair and offerings moderate. There has been a fairly good demand for clean rice, especially for Honduras and Japan grades, prices being unchanged. There has been a little better demand for sugar and a fair volume of business. Prices are steady.

Memphis.—Wholesale trade at present is seasonably quiet, although spring orders for dry goods and boots and shoes have thus far been liberal. Unfavorable reports are received from the lowlands, where the cotton crop was very short. Collections are generally very slow. The suspension of two banks here has caused no serious trouble, as one of them has been absorbed by another local institution and depositors paid in full.

Cincinnati.—Retail business continues dull. In dry goods purchases for the spring trade have been forwarded in liberal quantities, but new business is rather quiet. There is very little life in the wholesale flour market. The pig iron market is quiet, so far as new contracts are concerned, but inquiries from customers regarding future supplies are numerous. In the provision market business is quiet, but prices are firm. The leaf tobacco market shows a big increase in offerings of both old and new tobaccos as compared with the closing week of 1905. Quality and condition are decidedly better and the auction sales opened under the most auspicious circumstances. Competition for all good tobaccos of the new crop and high grade was spirited and lively. Boot and shoe manufacturers continue busy and are working full time. Wholesale clothing manufacturers report business good and prospects bright. Collections are good in all branches of trade. The money market is easy, with brokers' call loans accepted at 4½ to 5 per cent., time loans at 5 to 5½ per cent. and discounts at 5½ to 6 per cent.

Chicago.—New demands reach a satisfactory aggregate in leading productive branches, and there are indications of expanding activity in iron and steel, also in foundry, forge and car work. While the weather for a short time was much colder, there was no interruption to outdoor operations and retail trade improved under sharp buying of seasonable apparel. Wholesale activity rapidly returned to full volume. House dealings have improved and mail orders are received for early delivery of spring staples. The indications are strongly maintained for a large business in the principal staples, current bookings being well distributed in dry goods, footwear, men's furnishings, ladies suits and clothing. There is also satisfactory buying for the interior of hardware, farm needs and food products. Building materials are in much request, owing to the comparatively mild weather which permits more than the ordinary amount of work to be done at this time. Lumber sales have gained in both soft and hardwoods and the shipping needs are much ahead of expectations. Receipts of lumber, 32,744,000 feet, compare with 32,332,000 feet last week and 26,331,000 feet a year ago.

Primary markets are quiet for grain and flour, and stocks of these show accumulation, but there is good buying of provisions and live stock. Receipts of the latter exhibit improvement. Dealings in leather and hides exhibit steadiness and prices continue firm. Receipts of hides rose to 3,503,603 pounds, against 2,872,511 pounds last week and 2,951,878 pounds a year ago. Western roads have made further progress in reducing accumulation of freight and the marketing of crops attained a larger volume. The total movement of grain at this port aggregated 9,061,241 bushels, against 7,715,362 bushels last week and 10,285,676 bushels a year ago. Bank deposits begin to show some increase. Commercial paper is in satisfactory supply, and there is more bidding for it at 5½ per cent. Most of the current business, however, is quoted at 6 per cent. Sales of local securities slightly exceeded the volume for same week last year, and the ten active stocks made an average gain this week of \$1.10 per share. Plans for construction work during the year are quite large, and new building permits, \$516,350, compare with \$418,900 a year ago. Sales of real estate were \$3,402,894, against \$2,201,160 last year.

Cleveland.—Receipts of iron ore on Lake Erie docks for 1905 were 29,018,282 tons, 6,368,858 tons above the previous high record in 1902. At this port there were received during the season 5,854,745 tons. The open weather of last month resulted in the granting of a large number of building permits. Retail trade continues satisfactory, and there is considerable activity in jobbing lines. Traveling salesmen representing local cloak manufacturers started out a few days ago with spring samples, and a large volume of business is anticipated. Collections are satisfactory.

Minneapolis.—Retail holiday trade broke all records, and stimulated by cold seasonable weather it continues very heavy. Factories are well booked ahead with orders and are running to full capacity. Wholesale houses have finished inventories and traveling men are again on the road. The year begins with excellent prospects in practically all lines. Collections are satisfactory and money conditions easy. Shipments of lumber were 2,448,000 feet, against 2,000,000 feet a year ago.

St. Paul.—Jobbing lines have not yet fully recovered from the holidays, but advance sales, notably in dry goods, hats, footwear and furnishings, are considerably larger than at this period last year, and manufacturers are busily engaged with sufficient business in sight to keep machinery actively employed for some time to come. Spring sales of harness make a very favorable showing. Hardware trade is of fair volume for the season and groceries are in increased demand. Wholesale drug trade is very satisfactory. Collections are fairly satisfactory.

St. Louis.—Business has improved in all lines over that of last week. Mail orders and those from the traveling

salesmen have increased. All the shoe factories are working over time, while the clothing manufacturers are also very busy. The cash and future grain markets were fairly active, but prices have not fluctuated to any extent. Nearly all of the flour mills have resumed, and domestic and export demand for flour is fair at about steady prices. The spot cotton market ruled dull at barely steady prices. Pig lead is higher than ever, with sales at \$6 per 100 pounds. Spelter sold at \$6 50. The demand for money was only fair, and rates are easier, the bulk of the time loans and discounts being made at 5 to 5½ per cent.

Kansas City.—Trade has opened up well for 1906. There is still a very active demand for footwear, and houses report good orders for leather and rubber goods for immediate and future shipments. In dry goods there is little current business, but future orders are coming in satisfactorily. There are more future hat orders here than last year, and millinery houses report the same condition in their line. Groceries and drugs are selling well. Implement houses are busy shipping goods and getting ready for dealers' convention. Collections are slow. Retail trade is only fair on account of the open winter. The money market is quiet, and there is not much new demand. Cattle receipts were larger and prices went lower. Hogs were in fair receipt, but in good demand and at good prices. Sheep moved quite freely. Cattle receipts were 48,447 head; hogs, 56,020 head, and sheep, 45,701 head.

San Francisco.—Material results in the year 1905 were fairly satisfactory in California, and in some respects the year was the best in a long time. All of the diversified business interests of the State, however, did not share alike in the prosperous conditions. Bank clearings and real estate sales of San Francisco broke all previous records; the sea commerce was unusually large; the interstate trade by rail was quite heavy; crop results varied materially; in some lines the yield was up to the average, while in others it was considerably below the average. The wheat crop was the most disappointing of all, the yield being the lightest in forty years. The failure of this crop of course affected unfavorably the shipping interests. There were 567 vessels cleared from San Francisco in 1905 with whole or partial cargoes for distant ports, including 330 steamers, of which 51 were for ports in Japan and China. The regular passenger lines for the Orient call for three steamers monthly. The others in that trade were extras, with assorted cargoes, and oil tank steamers. The value of the merchandise and produce exports amounted to \$63,347,887, \$10,000,000 in excess of 1904 and nearly \$14,000,000 in excess of 1903. These figures are exclusive of the trade with Alaska. Shipments last year include \$18,977,300 to Japan, \$11,971,400 to China and Hongkong, and \$11,077,300 to the Hawaiian Islands. These are the largest totals for those ports. There were 9,504 sales of real estate in San Francisco last year, representing a value of \$74,392,540. This is \$28,584,000 larger than in 1904 and \$26,682,000 in excess of 1903, the previous record year in this department. The year showed the best sustained market in local realty ever known. Several business properties changed hands one or more times at a substantial advance. On Market Street, from the ferry to Gough, there were 25 transactions recorded, of a value of \$5,559,500, at prices ranging from \$1,000 to \$10,000 per front foot. The latter figure was paid for property directly opposite the Palace Hotel, practically the business center of the city just now. Building permits issued called for an outlay of \$20,113,863, divided as follows: Brick and stone, \$8,344,931; frame, \$10,263,980; alterations, \$1,504,952. The troubles of the Fresno raisin growers and packers have been passed to the Mercantile Company, composed of the packers, who were combined with the growers, the Mercantile Company agreeing to take the 12,000 tons of stock on hand at the rate of 3 cents per pound in the sweat box.

BANK EXCHANGES.

Bank clearings again make a new high record and show the largest volume of settlements through the banks, mainly for current account, ever reported in a single week. Total exchanges this week at all leading cities in the United States are \$3,569,666,424, a gain of 32.2 per cent. over last year. The increase is well distributed throughout, every city reporting a gain over the corresponding week of both preceding years. The gain is small at Cincinnati, St. Louis and New Orleans, as bank exchanges at those cities were heavy a year ago when the movement of cotton at the South was unusually large, but at all other cities reporting there is a large increase. The extent of the heavy movement is shown in the average daily figures for the past four months. Figures for the week and average daily bank exchanges for the month to date and for the three preceding months are compared below for three years:

	Week. Jan. 11. 1906	Week. Jan. 12. 1905.	Per Cent.	Week. Jan. 14. 1904.	Per Cent.
Boston	\$190,281,005	\$164,584,816	+15.6	\$134,248,153	+41.7
Philadelphia ..	160,224,532	130,073,132	+23.2	109,967,995	+45.7
Baltimore	30,864,230	26,186,299	+17.9	24,904,016	+23.9
Pittsburg	57,324,660	43,082,301	+33.1	36,766,133	+56.2
Cincinnati	29,063,900	27,681,850	+5.0	25,489,650	+14.0
Cleveland	16,560,258	15,977,024	+3.7	14,519,137	+14.1
Chicago	240,415,011	194,256,767	+23.7	179,103,701	+34.2
Minneapolis	20,008,887	17,880,513	+11.9	15,529,183	+28.8
St. Louis	66,875,885	64,022,895	+4.5	56,167,628	+19.1
Kansas City	25,842,638	23,748,783	+8.8	23,106,008	+11.8
Louisville	15,304,637	12,653,290	+21.0	11,475,634	+33.4
New Orleans	24,827,965	24,468,318	+1.8	24,528,007	+1.2
San Francisco ..	44,725,584	33,486,387	+33.6	30,978,270	+44.4
Total	\$922,319,192	\$778,102,375	+18.7	\$686,781,515	+32.8
New York	2,647,346,232	1,915,587,132	+38.2	1,376,162,905	+92.4
Total all	\$3,569,666,424	\$2,693,689,507	+32.2	\$2,062,944,420	+73.0
Average daily:					
Jan. to date ..	\$621,137,000	\$480,940,000	+29.2	\$370,706,000	+67.6
December	534,574,000	457,627,000	+16.1	324,478,000	+64.7
November	502,484,000	483,032,000	+4.0	319,104,000	+57.5
October	444,267,000	408,069,000	+8.9	307,689,000	+26.5

THE MONEY MARKET.

It would have occasioned no surprise had the week opened with a resumption of sensational rates for call money, because the previous Saturday had closed with a sharply advancing stock market and practically exhausted bank reserves, while the situation abroad was sufficiently unsettled to produce a good demand for remittance on bills of exchange. But there was such confidence in the return of January interest payments from the interior that it was seldom necessary to pay more than the legal maximum for accommodation of any description. Yet there is no expectation of anything like easy money. On the contrary, the best financial authorities look for firm rates, with little variation for some time to come. Non-member banks continue to report a nominal deficit, but in view of the large percentage of State banks in that statement it is evident that the reserve is ample to comply with the law. Daily reports of the Federal Treasury indicate that gross gold holdings are maintained close to the highest point on record, and the available cash balance is holding the recent gain. Owing partly to liberal customs collections because of large merchandise imports, and in some degree to smaller disbursements, the excess of receipts over expenditures for January thus far has almost eliminated the moderate deficit recorded for the first half of the fiscal year. Transvaal gold production in December was 431,594 ounces, surpassing all monthly records since August, 1899, when the high-water mark of 459,709 ounces was established. The total for the full year 1905 was 4,897,221 ounces, against 4,065,180 in 1899, the previous maximum year. Last year's value was approximately \$103,500,000 which compares with about \$86,000,000 for the United States, and about \$377,000,000 for the entire world. These are large figures, but requirements are also expanding, and probably in a greater ratio.

Call money has ranged from 2 to 8 per cent., with the bulk of new loans at 5½ to 6 per cent. Time money has been

offered more freely on the basis of $5\frac{1}{2}$ per cent. for short terms, $5\frac{1}{2}$ to $5\frac{1}{2}$ per cent. up to ninety days, and $5\frac{1}{2}$ to $5\frac{1}{2}$ for longer periods up to six months. Commercial paper has also developed more activity, demand being chiefly from out-of-town institutions. Sixty to ninety days' endorsed bills receivable ruled at 5 to $5\frac{1}{2}$ per cent.; four to six months' single name paper was quoted $5\frac{1}{2}$ to $5\frac{1}{2}$, and less well-known paper sold as high as $6\frac{1}{2}$ per cent.

FOREIGN EXCHANGE.

Strength developed in the foreign exchange market at the opening this week, due in a great measure to the more rational money market. There was a good demand for cable transfers, partly the covering of short accounts, but also purchases for remittance against maturing bills. Some sales of stocks for London account contributed to the early strength of exchange, and the supply of commercial bills was light, despite a slight increase in grain acceptances. Paris exchange on London continued to rule so low that the possibility of triangular gold exports was frequently discussed in exchange circles, and at one time it was estimated that by the payment of interest in transit French bankers could draw on New York. Daily closing rates were as follows:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Sterling, 60 days.....	4.82 $\frac{1}{2}$	4.82 $\frac{1}{2}$	4.82 $\frac{1}{2}$	4.83 $\frac{1}{2}$	4.83 $\frac{1}{2}$	4.83 $\frac{1}{2}$
Sterling, sight.....	4.85 $\frac{1}{2}$	4.86 $\frac{1}{2}$	4.86 $\frac{1}{2}$	4.86 $\frac{1}{2}$	4.86 $\frac{1}{2}$	4.86 $\frac{1}{2}$
Sterling, cables.....	4.86 $\frac{1}{2}$	4.86 $\frac{1}{2}$	4.87 $\frac{1}{2}$	4.87 $\frac{1}{2}$	4.87 $\frac{1}{2}$	4.87 $\frac{1}{2}$
Berlin, sight.....	95	95 $\frac{1}{2}$	95.19	95.19	95.19	95.19
Paris, sight.....	*5.16 $\frac{1}{2}$	5.16 $\frac{1}{2}$	5.16 $\frac{1}{2}$	*5.15 $\frac{1}{2}$	5.16 $\frac{1}{2}$	5.16 $\frac{1}{2}$

*Less 1-16 per cent.

DOMESTIC EXCHANGE.

Rates on New York are as follows: Chicago, 10 cents premium; Boston, 12 $\frac{1}{2}$ cents discount; New Orleans, commercial par, bank \$1 premium; Savannah, buying at 50 cents discount, selling at 75 cents premium; Cincinnati, par; San Francisco, sight 2 $\frac{1}{2}$ cents, telegraphic 5 cents; Charleston, buying at par, selling at 1-10 cent premium; St. Louis, 20 cents premium bid, 30 cents premium asked; Minneapolis, 90 cents premium.

SILVER BULLION.

A slight recovery to about the best record for recent years is noted in quotations of silver bullion, but the markets have developed no new element of significance. Daily closing prices at London and New York were as follows:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
London prices.....	29.69d.	30.06d.	30.00d.	30.25d.	30.25d.	30.12d.
New York prices.....	64.25c.	65.00c.	65.00c.	65.50c.	65.62c.	65.37c.

FOREIGN FINANCES.

Some improvement was recorded in the position of the Bank of England this week, gold holdings increasing £1,049,265, while loans contracted £5,381,000. This lifted the proportion of reserve to liabilities to 33.50 per cent., against 29.87 in the previous week. The Bank of France also reflected the termination of annual settlement and "window dressing," gold holdings being increased 17,175,000 francs, while loans decreased 305,050,000 francs. Gold is coming to London from India, and the general outlook in Europe has improved. Call money at London is quoted 2 $\frac{1}{2}$ to 3 per cent. and time loans 3 $\frac{1}{2}$. At Paris the open market rate is 2 $\frac{1}{2}$ and at Berlin 4 per cent.

FEDERAL FINANCES.

The latest statement of gold and silver coin and bullion on hand in excess of certificates outstanding, and exclusive of the \$150,000,000 redemption fund, compares as follows:

	Jan. 11, 1906.	Jan. 4, 1906.	Jan. 12, 1905
Gold owned.....	\$130,035,500	\$133,256,675	\$70,232,801
Silver owned.....	17,127,741	14,419,855	16,376,455

Net gold holdings again slightly decreased, but there was almost an equivalent gain in stocks of silver. The available cash balance is \$143,544,599, and for the month thus far there is a favorable balance on regular operations of \$2,246,786, which reduces the deficit for the fiscal year to \$4,996,299.

NEW YORK BANK AVERAGES.

All but about half a million dollars of the surplus reserve of the associated banks was wiped out last Saturday, and it was a gratifying surprise that a deficit did not appear, in view of the withdrawals of gold for export, the domestic

transfers and the activity of Wall Street speculation. To some extent the liquidation in the stock market on Thursday offset the advance on other days, but the net difference was a moderate expansion of loans. There was a good gain in legal tenders, but the specie loss was heavy, making a net decrease in cash of over two million dollars. Deposits reflected the changes in loans and cash very faithfully. Bank note circulation fell off slightly, as might be expected with a resumption of less abnormal rates for money. Instead of a practical exhaustion of surplus reserves, as now appears, there was a balance on the safe side in recent preceding years of over ten million dollars. The latest statement in detail compares with earlier dates as follows:

	Week's Changes.	Jan. 6, 1906.	Jan. 7, 1905.
Loans.....Inc.	\$3,633,300	\$1,004,658,300	\$1,069,742,700
Deposits.....Inc.	6,091,500	983,742,800	1,109,168,600
Circulation.....Dec.	183,100	52,912,900	43,172,400
Specie.....Dec.	5,669,600	167,336,000	203,684,000
Legal tenders.....Inc.	3,470,900	79,170,700	85,216,400
Total cash.....Dec.	\$2,198,700	\$296,506,700	\$288,900,400
Surplus reserve.....Dec.	3,721,575	571,000	11,608,250

Non-member banks that clear through members of the New York Clearing House Association report loans \$136,682,500 an expansion of \$294,500; deposits \$145,649,600, a decrease of \$545,600; deficit below 25 per cent. cash to deposits \$5,461,800, against a deficit of \$5,551,100 in the previous week.

SPECIE MOVEMENT.

At this port last week: Silver imports \$42,947, exports \$2,345,544; gold imports \$26,276, exports \$518,100.

Trade Conditions in Canada.

Montreal.—Wholesale trade is opening up very fairly after the holiday quiet. Travelers are all on their routes again, and the local sugar refineries which have been shut down for stock taking, and boot and shoe factories are again busy, with very fair spring orders in hand. Collections as a whole are fairly good, and some leading dry goods houses report about 85 per cent. of customers' paper, due on the 4th inst., as being taken up. Iron values continue strong, and domestic bars are now quoted up to \$2.00 in an ordinary way. All other lines of metals are very firm at recently noted advances. Linseed oil shows marked advance and is now quoted at 53 cents for raw. The sugar market is steady at the last decline, with standard granulated quoted at \$4.30 in barrels. Soft yellow grades are in active demand, and are relatively higher at \$3.90 for No. 1.

Toronto.—Wholesale trade during the past week showed a slight improvement and the outlook is hopeful. Dry goods houses anticipate considerable activity before the end of the month. Prices of leading staples continue firm. The demand for metals and structural material is good for the season. Payments are fair.

Vancouver.—Wholesale trade is seasonably quiet at the present time, but 1905 was a good year in every line, and a continuance of active business is looked for in 1906. Collections are very good. Retail trade has exceeded all former years and payments are prompt.

FAILURES AND DEFAULTS.

Commercial failures this week in the United States number 309, against 253 last week, 221 the preceding week and 324 the corresponding week last year. Failures in Canada this week are 51, against 32 the preceding week and 28 the corresponding week last year. Below are given failures reported this week, the two preceding weeks, and for the corresponding week last year, with the total for each section and the number where the liabilities are \$5,000 or more:

	Jan. 11, 1906.		Jan. 4, 1906.		Dec. 28, 1905.		Jan. 12, 1905	
	Over \$5,000	Total.	Over \$5,000	Total.	Over \$5,000	Total.	Over \$5,000	Total.
East.....	36	112	39	95	29	76	39	106
South.....	18	86	25	85	14	58	36	115
West.....	31	89	22	57	28	70	32	83
Pacific.....	9	22	3	16	3	17	10	20
United States.....	94	309	89	253	74	221	117	324
Canada.....	16	51	6	32	6	27	7	28

DUN'S REVIEW.

SOUNDNESS OF THE COUNTRY'S CREDIT.

Credit and confidence are essential to progress under civilization, and it cannot be expected that either can ever be spared. The greater progress a nation makes in civilization the more general becomes the extension of credit, the greater the confidence and the more stable the relations existing between communities and between individuals. The failure statistics published by this paper tell a wonderful story of progress. In presenting comprehensive statistics in almost every field of inquiry, when the inquiry covers a term of years, it is appropriate to interpose the reminder that the scope and thoroughness of the work must not be forgotten when comparing the trend of the results as between dates considerably separated in time. This is particularly to be remembered when considering the movement of calamitous human events, such as commercial failures, destruction by fire, the development of crime, etc., for even if the absolute volume of these did not increase there would be an apparent increase because the process of reporting them becomes more thorough. When these dismal figures increase, the unfavorable deduction is qualified by this cautionary reminder; on the other hand, when they show decrease, satisfaction with that result may reasonably be enlarged by the same reminder.

So we may properly feel the more gratification at the exhibit of failures in 1905. A review covering two decades must take into consideration the fact that instead of remaining stationary trade has been expanding in geographical area covered, in capital employed, in variety of subjects embraced and in new undertakings. It is obvious that as the size of the field increases the number of failures and at least the absolute volume of liabilities involved therein should naturally increase; therefore, when we find the figures moving in the other direction, the emphasis of the favorable result is increased. Over the entire country, in the three years 1879-81, the number of failures and amount involved were singularly small, the latter falling below \$100,000,000; yet when we look back for thirty years we find only one year besides those three in which the result was as favorable as in 1905, that one year being 1899. The number of failures in 1905, although less than in any year since 1901, was not extraordinarily small and was surpassed in that respect twenty times during the past three decades; but the comparison as to volume and average of liability is quite otherwise. For, after the four years 1879-82, and the one recent year 1899, the total liabilities of 1905 (\$102,700,000) were less than in any of the thirty years and fell nearly one-third below the total in 1903-04. The showing as to average amount is still more striking, for in the favorable years just cited the average was not particularly low (except in 1899), but in 1905 it fell to the lowest figure of the entire term of thirty years, being under \$9,000.

On comparing the last two years, and dividing the entire country into the eight sections, New England, Middle, South, Southwest, Central West, Northwest, Pacific, and Canada, we find a decrease in number of failures, except in the South and Canada; but the amount of liabilities decreases in every one of these great divisions. Analyzing more minutely, we find Vermont and Connecticut increasing in number, New Hampshire and Vermont increasing in liabilities, and Massachusetts heavily decreasing in the latter. The three great Middle States decrease in both. In the South there is an increase in number, but a heavy decrease in amount; such increments as appear are in the principal cotton States and ascribable to conditions affecting that crop, while the decrease is due to the unfavorable incidents of the Baltimore fire in 1904. In the Southwest and Central West, Wisconsin alone shows unfavorably in amount of liabilities; in the Northwest, Nebraska, Oklahoma, and North Dakota alone show increased

liabilities; in the Pacific, this is true only of Nevada and Oregon; in Canada, Manitoba is the unfavorable instance. The review of the whole thus shows an almost unbrokenly favorable comparison.

The average liability as compared with the entire business field also shows less than \$79 for each firm, solvent and insolvent, against a ratio about one-third larger in 1904 and three and one-half times as large in 1903. Another comparison not less striking—that of the amounts involved in failures, with the volume of clearing house transactions—shows that those were only seventy-one cents per \$1,000 in 1905, while the ratio in 1904 and 1903 were respectively \$1.28 and \$6.39 per \$1,000. Clearings, of course, include Stock Exchange transactions, and those were unusually heavy in 1905; but that fact also involved an exposure to loss, and since the possible bad results did not come the fortunate issue is made the more emphatic by the small ratio of loss to the volume of exchanges.

Considered broadly as to their character—whether manufacturing, trading, banking, or as to the unspecified “other”—the decrease in 1905 from the previous year holds, both in number and amount, this decrease being heaviest in the unspecified. Touch the figures at any point, and by any method of comparison we find the same result of a marked decrease in the number and seriousness of commercial disasters. It would be difficult to overstate the significance of this favorable condition, remembering that credit is more than an incident or an aid to trade; it is really a condition of trade. For capital—using the term in its broad sense as whatever potentially makes for production or exchange—is of many sorts; the man who holds money (which is organized wealth) may have nothing else, or, if he has other things, may lack the health or the disposition to use them, while another man who has other factors of wealth-making may own only his head and his hands. Credit is the link which joins necessary factors in wealth-making; it is the soil in which the seeds of prosperity grow; it is any figure which seems appropriate. But if value were never parted with, except for an equivalent immediately received, we should be kept in the semi-civilized state in which a man holds his commodity fast in one hand, while he reaches out the other for his expected exchange. Time is quite as essential to the growing of crops in trade as in agriculture, and if the rule of “pay as you go,” were adopted it would reduce industry to insignificant proportions.

There could be no progress made without some risk and experience, and the many conditions of exposure teach caution—they always will, and in the natural order of human events always must. Both in foreign and domestic affairs the growing possibilities of harm increase in magnitude as trade relations increase. Yet there is just reason for thankfulness and courage in the diminishing degree in which disaster has actually occurred. Care in granting of credits, moderation in using them, and the average trading ability have clearly increased. The lesson is one of care, courage, and confidence, not one of vainglory and overboldness.

WHAT THE FAILURE STATISTICS SHOW.

DUN'S REVIEW presents this week the most complete record of failures, commercial, financial, corporate, ever compiled. The record embraces business concerns, banks and railroad corporations. This is practically every form of industrial and financial endeavor comprised in what is commonly called business enterprise. The record covers a long period of years and embraces all sections of the United States and Canada. The report of commercial and financial failures is prepared from statistics collected through the numerous branch offices of R. G. DUN & Co., and the commercial failures are classified in three separate and distinct forms, geographical location, occupation, and size. The banking failures are classified by geographical location and

by classes of banks, national or other, and figures covering thirteen years are given as to the latter. The railroad defaults are republished from the records of the *Railway Age*, and a comparison is made covering thirty years. In the following table the amounts involved in the different classes of insolvencies are shown, the figures being compiled from the sources indicated above:

	Commercial.	Banks.	Railroads.	Total.
1905	\$102,676,172	\$20,227,155	\$176,321,000	\$299,224,327
1904	144,202,311	28,158,811	36,069,000	208,430,122
1903	145,444,185	29,685,766	18,823,000	193,952,951
1902	117,476,769	10,969,072	5,835,000	134,280,841
1901	113,092,376	18,018,774	1,627,000	132,738,150
1900	138,495,673	14,436,563	78,230,000	231,182,236
1899	90,879,889	27,116,790	52,285,000	170,281,679
1898	130,662,899	14,395,094	138,701,600	277,759,593
1897	154,332,071	28,249,700	92,909,000	275,490,771
1896	226,096,134	50,718,915	275,597,000	552,412,049
1895	173,196,134	20,710,210	369,075,000	562,981,344
1894	172,992,856	25,666,035	295,791,000	494,449,891
1893	346,779,889	210,998,808	1,781,046,000	2,338,824,697

Liabilities of commercial and banking failures are given, and the par value of stock and bond issues of railroads in default shown each year from 1893 to 1905, inclusive. In a sense the value of the stock and bond issues represent the liabilities of railroads in default. These figures do not in any instance show the losses, for debts are re-adjusted, in some instances paid in full, and in the great majority of cases partially settled. As to a considerable part of the railroad indebtedness there never was a default, for interest and coupons on prior liens are as promptly paid by the receiver as if no default had ever occurred. Banking losses, too, are relatively small, especially the losses of the national banks.

In the aggregate, the amount in default last year was increased by the Cincinnati, Hamilton & Dayton receivership early in December. This one receivership added \$152,000,000 to the railroad defaults, and excepting it, for which there is excellent reason, the amounts involved in all departments of enterprise were not large. In commercial failures, only one year, and that year 1899, reported a smaller aggregate of liabilities, and, if allowance is made for the greater volume of business transacted in 1905, the liabilities of commercial failures are proportionately less than in any of the years under review. In banking, only three of the preceding twelve years report a smaller aggregate of liabilities, and of railroads only three years likewise, if the Cincinnati, Hamilton & Dayton receivership is excluded. If bank exchanges measure in any degree the relative expansion or contraction of trade, and experience shows that there is very close affinity of one to the other, then the aggregate amount involved in defaults this year, even including the Cincinnati, Hamilton & Dayton receivership, is not far from the average of the two preceding years, and quite as good as in some other prosperous years in the past decade. Below the aggregate of bank exchanges for all United States cities is shown by years, and the aggregate in default as indicated above, together with the ratio of defaults to \$1,000 of bank exchanges:

	Total Bank Exchanges.	Aggregate in Default.	Ratio to Bk. Exch.
1905	\$143,872,974,359	\$299,224,327	\$2.69
1904	112,621,012,711	208,430,122	1.85
1903	109,209,187,764	193,952,951	1.77
1902	118,107,300,861	134,280,841	1.23
1901	118,533,294,485	132,738,150	1.12
1900	86,141,808,853	231,182,236	2.68
1899	94,171,903,183	170,281,679	1.81
1898	68,931,197,724	277,759,593	4.17
1897	57,403,118,681	275,490,771	4.80
1896	51,333,931,439	552,412,049	10.76
1895	53,348,481,562	562,981,344	10.55
1894	45,615,280,187	494,449,891	10.84
1893	54,309,562,775	2,338,824,697	42.88

In no previous year has the aggregate of bank exchanges been as large as in 1905, and there has been almost a constant expansion for ten years. The ratio of the total sum involved in bankruptcies was the lowest in 1901, being only

\$1.12 to each \$1,000 of bank exchanges in that year. The average was something over ten dollars in the years 1894 to 1896, inclusive, and \$42.88 in the very disastrous year 1893, a very large amount of railroad issues being then temporarily involved.

BANKS AND MONEY.

The prosperity and development of the banking business of this country has been truly marvelous. Some indication of this is shown in a series of articles published in this issue, relating to the progress made by these important institutions in the United States as a whole, and at some of the leading cities. In the past five years—the term in which this movement has been most marked—the gain in number of institutions has been largest absolutely in State banks and relatively in loan and trust companies, while private banks have increased the least. This is because in the new outlying territory, which naturally adds most to the numerical showing, the small national or State bank is preferred. In volume of present deposits and increase therein during the five years the institutions rank in this order: National banks first; State banks second; loan and trust companies third; and savings banks next, with the private firms last. In the ratio of increase of deposits the trust companies stand first with 92.6 per cent. increase; next are the State banks with 86.8 per cent. increase; national banks 53.3 per cent. increase; private banks 32.9 per cent. increase, and savings banks 29.5 per cent. increase. Measured by total resources the national banks stand first in growth of volume, the savings banks and private firms least. In relative growth, the trust companies are first with 115.5 per cent. gain; State banks 81.3 per cent. gain; national banks 49.8 per cent. gain; private firms 30.3 per cent., and the savings banks 28.3 per cent. increase.

Holding as they do the first position, it is interesting to recall how the national banks came into being. There was an incidental object, but the controlling one was to assist in the finances of the Government during the Civil War, for the banking system was one of the war measures. Gold was quoted at a premium, though as a matter of fact it was Government notes that had depreciated. It was considered that the credit of the Government must not be expressed in terms which recognized depreciation, but that its bonds must be at par although in paper, rather than on a basis of quotation which admitted the actual fact. Accordingly the national banking scheme was devised as a means whereby the loans could be more readily placed at the nominal par, and the device answered that expectation fairly well, especially as it was aided by putting a prohibitory ten per cent. tax upon all notes of banks other than national banks, paid out after a prescribed date. This tax was never collected, nor was it expected to be; it was intended to deprive the existing banks of their circulation unless they came under the new plan, and it was justified solely as a war measure, dictated by necessity.

The incidental object to provide a more secure currency was completely successful. In place of the old miscellaneous issues, more or less uncurrent and subject to discount, each bank having an inducement to send its issues out as far as possible, so that they might be a long time in getting home, the safety of "the Suffolk Bank system" of New England, was extended over the whole country, and most effectually. Not a dollar has ever been lost on the notes, and no one has ever taken the trouble to so much as observe the place of issue. We have now become accustomed to this, and the old "banknote detector" has long been forgotten. The national bank has proven a modern times banking system. Its perfectly uniform and secure paper currency is a possession we cannot too highly value; on the other hand this banknote currency is not sufficiently elastic to meet existing requirements, but this difficulty will undoubtedly be corrected.

It will be of interest to note the changes in the several media which make up the money in circulation, the total of which is now \$31.75 per cent. per capita, as compared with \$26.94 per capita five years ago, according to the estimated population at that time.

Increase from 1900 to 1905:

	Amount.	Percent of gain or loss.
Gold coin.....	\$38,233,918	+ 6.36
Gold certificate.....	276,421,230	+ 13.81
Silver dollars.....	17,436,882	+ 26.17
Silver certificates.....	62,498,674	+ 15.30
Subsidiary silver.....	32,615,391	+ 42.69
Treasury notes.....	*66,868,220	- 88.80
United States notes.....	29,225,005	+ 9.38
National bank notes.....	221,125,661	+ 73.68
Total.....	\$610,688,541	+ 29.77

* Decrease.

These figures are unprecedentedly large. The increase is largest in gold certificates and bank notes, the latter responding to several changes of statute which have somewhat raised the prospect of earning a profit upon bank circulation. The silver dollar, the coining of which ceased some years ago, did not fulfill the expectations of its advocates as a circulating medium and the certificates outrank it in circulation by about six to one. The above figures, in connection with those for the total amounts now in circulation, show that paper still forms the great bulk of the money which really travels from hand to hand, and probably this will continue to be the case under existing conditions in the United States.

These figures of banking growth, especially when examined in connection with those of clearings, present a valuable lesson upon the uses and indefinite expansibility of banking and the limitations upon the needs for money. The metallic coin supports several times itself in either a certificate or a convertible note; behind the note is the bank check which reduces the use of currency almost to retail transactions—the “small change” of industrial movements. Checks drawn against bank deposits are set over against one another so that only a small fraction of their total is ever paid except by making entries in book accounts. Thus the yearly exchanges of the New York Clearing House may be \$92,000,000,000, resulting in balances of only \$4,000,000,000, or one twenty-third, which means that where \$96,000,000,000 worth of business is done, representing payments to and from dealers, only four dollars has to be “paid” in a single transaction amounting to nearly \$100, the rest being wiped out by being on opposite sides of the account.

The currency required for the world's business, therefore, not only does not bear any direct and close relation to the total volume of trade, but may even decline while that total is increasing, money thus multiplying itself enormously in effect by these substitutes. And when we observe that checks are drawn against deposits and that deposits and discount are very largely the same, in substance as well as amount, the item being held against the depositor as well as credited to him, and also appearing on both sides of the bank's balance sheet, we get another glimpse of the function and service of banks. The discounts, however, have substance behind them, being in effect, if not in form, advances upon merchandise. Therefore the great function of a bank is not to enable a man to pay his debt more conveniently than by carrying a bundle of paper notes; it is to deal in credits, thereby putting capital into effective use, and to facilitate all productive and trading processes. A bank “moves” all crops in a manner closely analogous to the physical transportation effected by a railway. It is for this reason that banking has grown in importance and banks have increased in number, and as the fringes of population extend farther from the great centers the small bank is started very early and “grows up with the country.” The recognition of the service rendered has also nearly removed the popular hostility, which was very keen in the early days of the republic.

There have been some failures among the banks, but most of these point the moral sharply as to the dangers of the departure from strictly banking lines, adherence to the rule of scattering loans and holding quick assets being the one salvation of the system. Upon this rule, nothing human is more safe than a bank; without it any private business is as much to be trusted. Bank failures have been very few, and the fact indicates that banking is on the whole soundly conducted. Over the entire forty years of the system the national banks have made a most excellent record of endurance. In the eleven years 1895-1905, the general trend of banking failures, both classes considered, has been downward. In the worst year of these eleven, 1896, liabilities of failed national banks were more than double the liabilities in 1904, which was the second worst year, and four to five times those of other years. From the \$10,250,000 in 1904, the liabilities dropped to a little over \$4,000,000 in 1905, and in the especially successful year 1902 only two national banks went under. Of the other classes liabilities also declined from 1904, and were less in 1905 than in five of the eleven years. In this connection it should be noted that the total number of banks has increased more than 50 per cent. in the last five years. Some of the most disastrous failures have been caused by a too close connection between a bank and the personal interests of an officer in outside operations; such a perversion of banking of course invites disaster. On the whole the ratio of loss is almost too small to be measured, a most flattering tribute to the soundness of the system.

RAILROAD EARNINGS.

The railroads of the country have transported a larger tonnage in 1905 than ever before. In some classes of freights the movement may have been slightly under other heavy years, but in the aggregate the traffic last year was unusually large and was carried at exceptionally good rates. This is clearly reflected in larger gross earnings. The latest month for which anything like complete reports are available is November. The December statement of most of the large systems will not be ready for three or four weeks, but the preliminary reports for December are quite as satisfactory as those of the earlier months in the year, so that the heavy traffic on the railroads was clearly maintained until the close of the year. For November the classified report printed in DUN'S REVIEW embraces 138,643 miles of roads in the United States and practically all the large systems making monthly reports. Every section of the country is well represented, except possibly the New England States, none of the New England roads issuing a monthly statement. United States roads included report total gross earnings of \$146,414,985, an increase of 9.7 per cent. over the corresponding month of the preceding year. There is a gain in the earnings of all classes of roads, notably on the Trunk lines, Anthracite Coal roads, Granger and Pacific systems. Earnings of the different groups with mileage included in each are compared below:

	—Mileage.—		—Gross Earnings.—		Per
November.	1905.	1904.	1905.	1904.	Cent.
Trunk, Eastern....	13,231	13,162	\$31,217,106	\$27,227,718	+14.6
Trunk, Western..	9,908	9,905	10,024,296	9,238,959	+ 8.5
Anthracite Coal..	3,010	3,042	8,771,592	7,721,959	+13.6
Other Eastern....	2,209	2,209	3,613,553	3,319,456	+ 8.2
Central West....	7,431	7,453	7,690,529	7,412,946	+ 3.7
Granger.....	24,998	24,639	17,477,438	15,504,975	+12.7
Southern.....	23,992	23,599	18,954,351	17,617,122	+ 7.6
Southwestern....	29,484	27,961	21,841,192	20,894,409	+ 4.5
Pacific.....	24,380	24,126	26,824,924	24,566,661	+ 9.2
U. S. Roads....	138,643	136,096	\$146,414,985	\$133,524,205	+ 9.7
Canadian.....	8,568	8,332	5,648,000	4,659,000	+21.2
Mexican.....	6,177	5,816	4,232,588	3,980,416	+ 6.3
Total.....	153,388	150,244	\$156,295,573	\$142,163,621	+ 9.9

In a slight degree the gain in earnings was due to a larger mileage this year, but the difference is unimportant. Average earnings per mile of road included in the United States were

\$1,054.54 in November, against \$981.10 in November, 1904, an increase of 7.5 per cent. This is a substantial gain. In 1903 the average earnings per mile in November of the same roads, were \$821.98, and in 1902, which was the high water mark up to that time, the average was \$868.48. The increase in 1905 over 1902 is very large.

Below earnings of leading classes of roads for November are compared for four years:

	1905.	1904.	1903.	1902.
Mileage U. S. roads...	138,643	136,066	.....	.....
Gross earnings.....	\$146,414,985	\$133,524,205	\$123,541,532	\$119,676,787
Average earn.—per mile.	1,054.54	981.10	821.98	868.48
Trunk lines.....	31,217,106	27,227,718	25,210,528	24,963,888
Anthracite Coal.....	8,771,592	7,721,959	6,799,907	7,294,449
Central West.....	7,690,529	7,412,946	8,053,245	7,498,925
Granger.....	17,477,438	15,504,975	14,924,622	14,178,669
Southern.....	18,954,351	17,617,122	15,583,928	15,393,744
South Western.....	21,841,192	20,894,409	19,189,659	17,759,749
Pacific.....	26,824,928	24,566,661	22,201,582	21,586,474

The grain movement was much larger in 1905 than in 1904, as indicated by receipts of leading agricultural products at important trade centers for November this year and last year and for the eleven months:

NOVEMBER.	—ELEVEN MONTHS.—			
	1905.	1904.	1905.	1904.
Wheat, bush.....	37,601,967	33,293,387	200,899,842	197,632,187
Corn, bush.....	19,527,239	16,667,541	171,396,001	151,981,054
Oats, bush.....	22,616,524	13,740,717	178,005,042	158,798,305
Barley, bush.....	13,750,507	10,483,657	66,090,846	61,419,088
Rye, bush.....	1,520,030	1,262,679	6,360,703	7,467,745
Total.....	95,016,267	75,447,981	622,752,434	577,298,379
Flour, bbls.....	2,926,225	2,400,988	17,156,550	16,971,215
Cotton, bales.....	1,552,847	1,660,932	7,983,605	6,404,546

Receipts of grain and flour are shown at ten leading western cities, and cotton at leading southern ports.

The total movement of grain measured by receipts was 95,016,264 bushels in November, against 75,447,981 in November, 1904. All grains contributed to the increase, but the most noteworthy gain was made by oats. Likewise for the eleven months there was an increase, though rye shows a small loss.

Earnings in November were not the best of the year, in every instance. Adverse conditions in some of the earlier months affected earnings unfavorably on some classes of roads, notably in the South and Southwest. There was a loss in the earnings of the Central Western roads from July to October, inclusive, but this was not due to any adverse condition this year, but to the fact that traffic to St. Louis in the corresponding months of 1904 was so heavy, on account of the World's Fair, that earnings in 1905 were unfavorable by comparison. There was no setback in the tonnage movement this year. To some extent this affected the earnings of the Southwestern roads also, but the yellow fever quarantine in the South during the summer and early fall was much more disastrous to the traffic earnings of some of the Southern and Southwestern roads. The effect of this is clearly shown in the figures. On the Trunk lines and Anthracite Coal roads earnings show an almost constant gain; likewise on the Granger and Pacific roads. There was some irregularity in the early months of the year, but this was due in part to the effect of storms. The heavy traffic to the Pacific coast for export to the Orient is reflected in the earnings of the Pacific group. The Granger roads make a good showing, and this indicates clearly the larger grain movement.

This record covers practically every important system in the United States making a monthly return. The same roads are included for each month in each group so as to avoid any irregularity due to a changing number of roads. With the Trunk lines are the four large Eastern systems and there is a gain each month. Earnings in the fall are much larger than in the earlier months of the year, the movement of the crops raising the aggregate considerably. October and November are the banner months of the year, the effect of the winter storms being felt after that time, especially in the North and West. It is noteworthy that on the Southern roads the variation from the autumn to winter is not as great as on some other classes of roads.

Earnings by months are given below for the ten months this year and last of leading classes of roads:

TRUNK			COAL		
1905.	1904.	Per Ct.	1905.	1904.	Per Ct.
Jan.. \$23,890,116	\$21,220,868	+12.6	\$6,955,369	\$6,092,752	+14.2
Feb.. 21,541,898	21,369,479	+0.8	6,170,814	6,118,570	+0.9
Mch.. 26,334,487	24,365,333	+8.1	8,119,216	7,355,624	+10.4
Apr.. 26,950,912	26,005,747	+3.6	7,927,609	7,759,478	+2.2
May.. 28,632,123	25,588,133	+11.9	8,445,499	7,395,890	+14.2
June.. 28,617,596	25,803,465	+10.9	6,479,027	5,834,949	+11.0
July.. 27,695,133	25,129,608	+10.2	7,818,294	7,139,639	+9.5
Aug.. 30,918,531	27,595,392	+12.0	8,577,206	7,344,650	+16.8
Sept.. 31,462,365	27,711,972	+13.5	8,642,592	7,154,493	+20.7
Oct.. 31,976,817	28,024,131	+14.1	8,878,709	8,312,801	+6.8
Nov.. 31,217,106	27,227,718	+14.6	8,771,592	7,721,959	+13.6

CENTRAL WESTERN			GRANGER		
1905.	1904.	Per Ct.	1905.	1904.	Per Ct.
Jan.. \$6,337,935	\$6,482,619	+4.0	\$12,544,325	\$12,320,265	+1.8
Feb.. 6,199,907	6,606,708	-8.3	10,790,231	11,716,514	-9.9
Mch.. 6,810,376	6,721,908	+1.3	14,640,271	13,330,341	+9.9
Apr.. 6,253,459	5,819,242	+7.5	13,018,237	11,994,678	+8.5
May.. 6,195,374	6,090,132	+1.7	13,518,213	11,653,064	+16.0
June.. 6,066,495	6,055,187	+1.7	14,718,854	13,053,670	+12.8
July.. 5,802,269	5,832,868	-0.5	14,421,054	13,116,466	+10.0
Aug.. 6,341,647	6,645,836	-4.6	16,114,337	14,618,734	+10.2
Sept.. 6,937,457	7,447,131	-6.8	17,969,290	16,168,542	+11.1
Oct.. 7,450,087	7,810,739	-4.6	19,126,042	16,899,368	+13.9
Nov.. 7,690,529	7,412,946	+3.7	17,477,438	15,504,975	+12.7

SOUTHERN			SOUTHWESTERN		
1905.	1904.	Per Ct.	1905.	1904.	Per Ct.
Jan.. \$17,825,930	\$17,501,377	+1.8	\$17,184,554	\$17,130,386	+0.3
Feb.. 15,146,937	16,524,755	-8.3	15,390,528	16,536,542	-6.9
Mch.. 18,100,406	16,625,557	+8.9	18,599,386	16,904,117	+10.0
Apr.. 17,431,322	16,094,310	+8.3	17,465,891	15,750,904	+10.9
May.. 16,524,305	15,257,072	+8.3	17,849,997	15,883,832	+12.4
June.. 17,753,700	16,374,217	+8.4	14,510,410	13,167,778	+10.2
July.. 16,305,799	14,814,722	+10.0	17,780,343	15,717,465	+13.1
Aug.. 16,982,238	15,975,510	+6.3	19,212,195	18,259,645	+5.2
Sept.. 17,860,893	16,907,140	+5.6	19,884,706	20,014,565	-0.6
Oct.. 18,719,554	18,038,092	+3.8	21,415,879	21,019,154	+1.9
Nov.. 18,974,351	17,617,122	+7.6	21,841,192	20,894,409	+4.5

PACIFIC			UNITED STATES		
1905.	1904.	Per Ct.	1905.	1904.	Per Ct.
Jan.. \$17,826,956	\$16,934,821	+5.3	\$113,956,859	\$107,509,826	+5.1
Feb.. 16,087,092	15,814,020	+1.5	101,015,585	103,863,775	-2.7
Mch.. 20,191,036	17,823,808	+13.3	124,764,086	114,145,081	+9.3
Apr.. 20,333,848	18,455,538	+12.7	121,011,911	112,912,629	+7.2
May.. 21,141,958	18,831,447	+12.3	124,668,512	112,637,736	+10.7
June.. 21,242,290	18,688,771	+13.6	122,654,788	111,450,643	+10.1
July.. 22,011,842	19,540,592	+12.6	124,482,718	113,352,204	+9.8
Aug.. 23,226,861	20,600,796	+12.7	135,208,637	124,446,541	+8.6
Sept.. 25,884,660	22,159,379	+16.8	142,343,632	131,118,629	+8.6
Nov.. 26,824,928	24,566,661	+9.2	146,414,985	133,524,205	+9.7

Earnings of roads reporting for December are quite as good as the preceding months, and show that the excellent returns will be maintained to the close of the year. The report is as yet very incomplete. In some sections, especially where heavy gains are shown in November, earnings of roads are not now included in the December statement. This will help the December report, when it is made complete, and the figures for that month ought to be the best of the year. In the following table earnings of roads reporting for December, and of the same roads for the two preceding months are compared with the preceding year:

Gross Earnings—			Per Cent.		
1905.	1904.		1905.	1904.	
December....	\$40,502,956	\$37,424,603	Gain	\$3,078,353	+8.2
November.....	42,199,178	39,559,822	Gain	2,639,356	+6.7
October.....	44,327,725	42,482,390	Gain	1,845,335	+4.3

The figures in each instance make a very satisfactory showing with last year. When the total for the year is ready it will show a substantial gain over all preceding years.

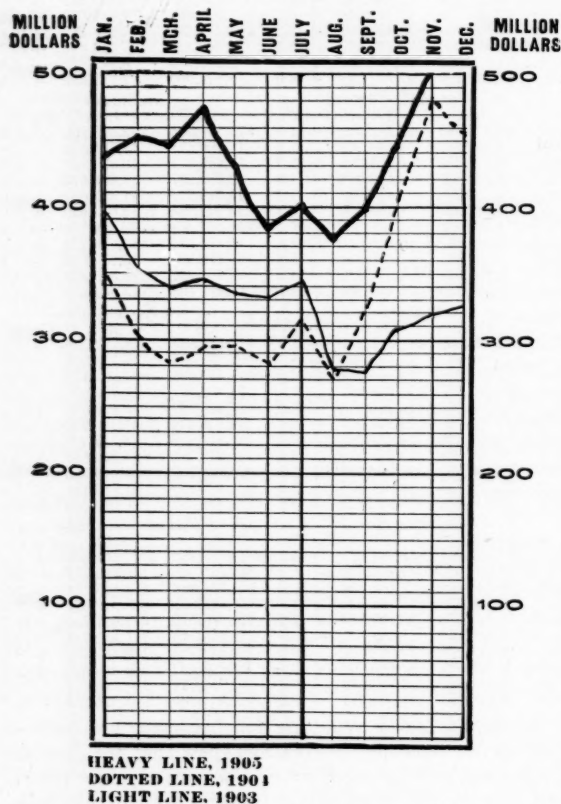
HIGH RECORD OF BANK EXCHANGES.

Bank clearings throughout 1905 denote exceptionally heavy payments through the banks. Every month, with one unimportant exception, showed the highest record of bank settlements ever recorded, and the movement was unusually uniform through the year. With normal conditions, payments through the banks are always larger in the fall, winter and spring months, receding considerably in the summer months, in accordance with the general trend of trade. They are usually at the lowest point of the year in August and at the highest point in November, following the flood of settlements incident to the first payments for the crops, which begin to move early in the fall and continue to come into the markets in increasing quantities until November. Subsequent transactions are spread over the succeeding months in somewhat smaller volume until May or June, when there is a noticeable falling off in bank payments through the summer, though half-yearly and quarterly settlements swell

the July figures slightly. This has been the experience of the past year, and the extent to which bank clearings each month this year have exceeded the two preceding years is plainly shown in the accompanying diagram:

BANK EXCHANGES.

Average daily for each month for three years.



The heavy line shows the course of bank exchanges for each month for the year 1905 at the fourteen leading cities in the United States regularly reported in DUN'S REVIEW. By employing a fixed number of cities the irregularity incident to a changing number is avoided. Average daily figures for each month are also employed, and in this way another important variation is omitted. The dotted line shows the course of bank exchanges each month during 1904 at the same cities and the light line for 1903. This record affords an extremely interesting study of the subject of bank exchanges in their relation to the course of trade.

Probably no one single record gives more perfect or more prompt information regarding the progress of commercial events in any community, and, taking the leading communities together, for the country as a whole, than the record of bank exchanges. The figures are available daily and the reports of to-day record in a considerable measure the transactions of yesterday or the day before, or at least the transactions of only a few days preceding. This is clearly shown by the promptness with which some disaster in the commercial world is reflected in the movement of bank clearings, or, on the other hand, the promptness with which a sudden increase in trade is shown in bank clearings. A number of notable incidents of this character have occurred during the period here reviewed. During the past year the sudden outbreak of yellow fever at the South was promptly reflected in the New Orleans bank exchanges, subsequently in the exchanges of other southern cities, and in a less degree in the exchanges of border cities where southern trade is influential. In 1904 the sudden reversal of feeling that occurred in August regarding the prospects of the presidential election, and the expanding

trade incident thereto, which was clearly manifest in September and October, is plainly shown in the very heavy increase of bank exchanges during those and the succeeding months.

If we follow the progress of events during the three years covered by this comparison the reader will be impressed with the very close relationship of bank exchanges to business conditions. The depression in the early months of 1903 is clearly shown. There was a marked falling off in volume of payments through the banks from January until June. Half-yearly and quarterly settlements, due July 1st, raised the volume of payments slightly in that month, but in August there was an unusual decline, incident to the fall in values and the unusual number of failures caused thereby. September exchanges were even smaller than those of August, and while payments were larger during the four succeeding months—a natural incident to the regular movement of the crops of that year—they were not nearly so large or was the increase at so great a ratio as is usual.

In January, 1904, yearly and half-yearly settlements are in part reflected, but these payments were considerably smaller than in January, 1903—in fact, there was a considerable loss in 1904 every month until August, even compared with the reduced bank clearings of the corresponding months of the preceding year. The change in sentiment in August carried bank clearings higher each month, until in November they were at the highest point ever reached up to that time, and the figures continued very heavy until April, though they were not quite so large as in November. In May and the succeeding months there was the customary seasonable decline until August, with a subsequent increase to the close of the year, and exchanges in the last two months of 1905 exceeded \$500,000,000 daily for the first time ever known, and were the largest in volume ever recorded for those two months or for any preceding months.

IRON PRODUCTION OF THE WORLD.

The production of about 22,500,000 tons of pig iron in 1905, establishing a new high record, exceeding the previous record tonnage made in 1903 by about 4,500,000 tons and this further strengthens the position of the United States as the leading manufacturer of iron and steel in the world. When the former high record was made in 1903 the United States contributed 39 per cent.; Germany, 22 per cent.; Great Britain, 19 per cent., and France, 6 per cent. of the entire world's production of 46,368,000 tons. Allowing an increase based upon estimates made from time to time by authorities in the countries named, the production of the whole world for 1905 would show a gain of about 5,778,863 tons represented by the three countries that made 80 per cent. of the iron in 1903. Admitting a normal increase for the countries representing the balance of 20 per cent. of total production and making allowance for a probable decrease in Russia on account of internal troubles there, the production for the entire world will not fall short of 52,000,000 tons for 1905.

The following figures show the production of pig iron in the three leading countries and the world for the past forty years:

	United States.	Great Britain.	Germany.	World's Total.
1905*	22,500,000	9,250,000	10,650,000	52,000,000
1904	16,497,033	8,562,658	9,944,261	46,058,751
1903	18,009,252	8,811,204	9,226,251	46,368,000
1902	17,821,307	8,517,693	8,402,660	44,558,000
1901	15,878,354	7,928,647	7,880,081	40,729,769
1900	13,789,242	8,959,691	8,520,541	40,087,616
1899	9,446,308	7,703,459	5,464,501	28,871,000
1898	9,202,703	7,904,214	4,658,450	27,157,000
1897	4,044,526	7,415,469	3,687,434	19,100,000
1896	3,835,191	7,749,233	2,729,438	17,950,000
1895	2,023,733	6,365,462	2,029,389	13,675,000
1870	1,665,179	5,963,515	1,391,124	11,900,000
1865	831,770	4,825,254	759,700	9,250,000

*Estimated.

In 1865 Great Britain produced close to one-half of the world's iron, while the United States contributed about one-seventh; in 1890 the United States exceeded Great Britain's

output and rapidly advanced until at the present time, based on estimates for 1905, it produced close to 43 per cent. of all iron made, while Great Britain's production has declined to about 18 per cent.

It is generally accepted that the rapid increase in production in the United States during the past twenty-five years has been due practically to the substitution of coke for charcoal and anthracite coal as a fuel. In 1880 the total production of the 681 furnaces then completed aggregated 3,375,912 tons, of which about one-half was made by the 231 furnaces using anthracite coal alone or anthracite coal and coke mixed. The production of the 199 coke and bituminous furnaces was 1,354,958 tons, or 277,319 tons less than the anthracite and coke stacks. In 1890 the use of anthracite coal alone diminished greatly, while the use of anthracite coal and coke mixed increased, the total production amounting to 1,985,828 tons. The growth of production with bituminous coal and coke as fuel was remarkable as compared with 1880, the output aggregating 6,265,865 tons. Bituminous and coke furnaces increased during the ten year period from 199 to 249, while the anthracite and mixed anthracite and coke stacks decreased from 231 to 170. In 1900 anthracite coal alone ceased to be used generally and the number of furnaces was reduced to 93, while bituminous and coke furnaces numbered 235. Production in 1900 exceeded that of 1890 by 5,987,953 tons, or 95 per cent. and was 10,411,961 tons greater than the combined output of anthracite and coke stacks for 1900. On December 1, 1905, there were 54 charcoal furnaces, 79 anthracite and coke and 295 bituminous and coke, making a total of 428 furnaces, with a capacity of about 28,000,000 tons per annum. The active furnaces during the year produced about 350,000 tons of charcoal iron, about 2,280,000 tons of anthracite and coke and about 19,870,000 tons of bituminous and coke, emphasizing the position of coke in relation to pig iron production.

A synopsis of previous, or present conditions, naturally develops what the future will be. *The Bulletin of the American Iron and Steel Association*, under date of December 1st, estimated the annual capacity of the furnaces of the United States at 28,635,000 tons, and further stated that there were sixteen furnaces in course of erection, with a total annual capacity of 1,830,000 tons. Of these furnaces, three stacks, with an annual capacity of 315,000 tons, will probably be ready for blast during the present month; two stacks, with an annual capacity of 240,000 tons, will be ready in February; two, with an annual capacity of 215,000 tons, in March; one in April, with a capacity of 145,000 tons; three stacks, with an annual capacity of 450,000 tons, will be ready in June, and five others, with a capacity of 465,000 tons, will be ready by fall. These figures indicate that all previous records in the United States are being surpassed, and that, unless unforeseen circumstances interfere, 1906 will show a material gain over the past year and that the position of this country will be further strengthened in the world's production of pig iron.

In 1890 a well known statistician estimated that the year 1900 would show the world's production of iron to be 40,000,000 tons. At that time many regarded the figures as visionary, but the production for that year exceeded the estimate by 87,616 tons. In April 1901 the same authority stated that the supply of pig iron must be increased to 60,000,000 tons by 1916, probably by 1910 and that the United States must supply the greater part of that increase. The record breaking production in all iron and steel lines during 1905 is in line with the estimates given.

The opinion has been advanced that the iron ore deposits of the nation would not be equal to the increased demand, but developments in the ore sections of the country reveal sufficient ore for many years, with a probability of a large amount yet undiscovered. In this connection the report of the Swedish Geological Survey made recently estimated the known iron ore deposits of the world at 10,000,000,000 tons

of workable fields, of which the United States contains 1,100,000,000 tons, Great Britain, 1,000,000,000 tons, and Germany, 2,200,000,000 tons. With sufficient ore, coal in unlimited quantities and excellent practice at the blast furnaces and steel mills, future development of the iron industry on a much larger scale than ever before is practically unquestioned.

SOUTH AFRICAN TRADE.

[From our regular Correspondent at Johannesburg.]

Taking the quarter ending September 30th, 1904, and the same months in 1905 as a basis for comparison, it is found that during the first period the imports into the Transvaal were valued at £3,327,468, while for the latter period they were £3,987,716, a rise of about £660,000 or over £200,000 a month. Similarly, exports (which include raw gold) rose from £4,526,982 to £5,663,460, an increase of about £1,136,500. The ordinary revenue of the Transvaal for the same periods increased from £992,516 to £1,056,000. The traffic earnings over the Central South African Railway's administration totaled £523,680 for the first four weeks in October, 1904, and £629,934 for the same period of this year—an increase of £100,000.

Such were the figures quoted recently by the head of one of the large mining houses of Johannesburg. His object was to prove that the Colony had made great progress since the Chinese were first imported and to that extent he succeeded. One thing, however, he forgot, namely, all allusion to the depression which undoubtedly exists. Despite the advance shown by the official figures, trade is dull and quiet, even in the Transvaal. Some of the largest firms complain that last November was the worst month they have experienced for a long period. Naturally, much of the trouble, if not most of it, is due to a slumping share market. The growth of Johannesburg has been striking. During the two and a quarter years ending September 30 plans have been passed for buildings worth over £5,500,000 and such a fact offers ample and indisputable proof of the faith entertained by the investing public in the stability of the country and in the security of investments.

How far statistics show an improvement may be judged from the fact that in July the tonnage of goods coming into the Transvaal was 12,000 higher than for the corresponding month of last year, whereas in January there was a comparative decrease of 13,000 tons. Since July the increase has been maintained. Again, in the first eight months of this year the imports rose in value by £1,500,000 as compared with the corresponding period of 1904. Here an improvement is evident, but it must be remembered that the population has been growing, the employment of Chinese having led to the employment of over 4,000 additional white men.

Whatever may be the complaints of general merchants, those wholesale houses who supply mines are more optimistic, and in this connection it is interesting to note that the British manufacturer is more than holding his own in all departments of trade, particularly where iron, steel, and hardware goods are concerned. Americans are stated to have their hands pretty well occupied with their home market and that gives the British makers an easier field. At the same time the Belgian and German manufacturers of steel construction work, iron piping, railway material and electric fittings are very much alive to the possibilities of the Transvaal market. British articles are as a rule, however preferred—especially for drill steel and other things required for hard wear and tear.

In Natal an Industries Commission is sitting, and at one of its recent sessions several witnesses entered complaints against American exporters. It is generally assumed that exporters in the United States of mealies, grain, flour and similar articles imported into South Africa enjoy no assistance from bounties in any form. This assumption is, how-

ever, strongly contested, it being stated that American exporters took advantage in an ingenious manner of the fact that there was an import duty upon bags imported into America.

One witness explained that though no bags are imported into the United States, a drawback of 99 per cent. of the import duty is given upon all bags exported containing grain, etc., upon the pretended assumption that such bags have paid the import duty, though they are really made in America. The witness, in corroboration, produced two American bags in evidence, marked "For drawback." The drawback is said to amount to about 6d. on a small bag and 1s. upon a 200 lb. bag, which is an equivalent to a bounty upon the contents of the bag, acting detrimentally, of course, against the South African producers.

The latest foreign country interested in the South African trade is Japan. Merchants in the Land of the Rising Sun have already been sending their travelers to this country to sell silks, shirts, underwear, etc. Hitherto goods of Japanese manufacture have been coming via London, but they will now be exported direct, and the new departure is expected to be popular.

The second report of the Conference of Delegates appointed by the South African colonies to consider the charges for ocean freights has now been issued, and takes the form of an interesting document in which the whole position is clearly set forth. Its chief value lies in its expressed adherence to the important and far-reaching principles enunciated in the interim report. Besides stating emphatically that the present tariff rates of freights charged the general public by the shipping ring from the United Kingdom are excessive and detrimental to South Africa, the Conference pointed out that differentiation of rates between the United Kingdom and the United States was injurious to British manufacturers, denounced special contracts and passed resolutions in favor of maintaining a uniform freight tariff. Another point that was urged was that the South African Governments should enter into a convention for the prevention of unfair competition and the insurance of stability of rates, and in any case legislate to prohibit rebates and discrimination between shippers.

Having heard further witnesses the delegates decided "That the evidence received did not prove that the original recommendations of the Conference were unpracticable; nor did it diminish the importance of the considerations which the Conference had accepted as the governing conditions." Armed with the knowledge that witnesses unanimously held the present charges to be excessive and condemned the existing system of deferred rates, the colonial representatives "Resolved, that the conference adheres to the principles" of the interim report, but voted for a Conference in London in view of a letter from the Secretary of State for the Colonies which points out "that the Board of Trade consider that His Majesty's Government should be afforded a full opportunity of expressing its views on the recommendations contained in the report before any legislative action is taken by the South African Governments, and recommends that the various South African Governments should appoint representatives to discuss with His Majesty's Government in London the terms of the legislation which it is proposed should be introduced into the respective Parliaments of South Africa to give effect to the recommendations of the Conference."

Lastly comes a very important clause and one which epitomizes the conclusiveness of the Conference after mature deliberation. The delegates say "Should the difficulties of giving effect to the principles quoted in the interim report prove to be insurmountable, the Conference recommends that the South African Governments should introduce legislation making illegal, under penalty, deferred rebates, differential rates of freight, or the granting of any unequal consideration to any shipper or importer."

By this time the Conference has already begun its sittings

in London. Several months must elapse before the questions can be settled, and it is then to be hoped that a solution will be reached which will remove, at least for one year, the matter of ocean freights from the realm of South African politics.

TRADE NOTES.

Japan's Foreign Trade.—According to cable despatches from Tokio, Japan's foreign trade for 1905 was unprecedented, imports aggregating \$244,000,000, and exports \$160,500,000.

Internal Revenue Receipts.—Internal revenue collections of the United States for the five months from July to November, inclusive, showed an increase of \$4,779,259 over the corresponding period of 1904. The greatest increases were in fermented liquors, spirits and tobacco.

New Corporations.—During the year 1905, 1,272 companies were incorporated under the laws of Massachusetts, the authorized capital being \$64,900,700. This number is an increase of 205 over 1904, but the amount of capital involved is a few millions less than that year. That activity in this direction is not confined to any particular section of the country is shown by the fact that the State of Texas reported receipts of \$295,000 by the Secretary of State in incorporation fees, an amount double that of any previous year.

Anthracite Coal Trade.—Anthracite coal shipments for 1905 were 61,410,201 tons, the largest on record, being an excess of 2,047,371 over 1903, the largest previous year, and 3,917,679 over the amount shipped in 1904. The shipments in May were the greatest of any month in the year, reaching 6,005,158 tons, and those of February the smallest, with only 3,922,601 tons. In each of the last five months of the year shipments were well above 5,000,000 tons. The Reading was the greatest carrier, with 12,574,502 tons, and the Lehigh Valley was second, with 10,072,120 tons.

German Trade.—In the last fiscal year imports from Germany, according to a report issued by the Department of Commerce and Labor, were \$118,000,000 in value, and exceeded imports from that country in any earlier year. Exports to Germany were \$194,000,000 in value and exceeded our exports to that country in any earlier year except 1904, in which the total was a little over \$214,000,000, this decrease in 1905 compared with 1904 having occurred in raw cotton and being due altogether to a fall in price, since the quantity in 1905 was greater than in 1904. Imports from Germany increased \$37,000,000 in the period from 1895 to 1905, and exports to that country increased \$102,000,000 in the same time.

Labor Well Employed.—The New York State Commissioner of Labor in his quarterly report says that the first nine months of 1905 were especially prosperous for labor in this State. At the end of September the ratio of unemployed to employed wage earners was smaller than at any corresponding date in the last five years. There were 11,525 organized wage earners who were returned as idle on account of slack trade, as against 21,718 a year ago. At the same date the number idle on account of labor disputes was 1,876, as contrasted with 10,593 a year ago. "It could scarcely fail that the unusual activity in all lines of trade should attract workers from Europe," says the Commissioner, "and the record of alien arrivals at the Port of New York in the third quarter of the year greatly exceeded that of previous years."

TRADE AT OMAHA.

Omaha.—The volume of general trade continues very large. Business in rubber goods is especially active, due to the prevalent weather. The cattle market is active, prices ranging from ten to twenty-five cents higher, with the greatest increase in heavy stock. Quality is fair. The hog market is strong and active, with a general rise in prices of from ten to fifteen cents. Receipts show a slight decrease.

Commercial and Banking Failures.

Insolvency returns for the year 1905 are presented here-with in three separate analyses; according to occupation, size and geographical location. Every failure of the 11,520 that occurred during the past year has been classified three different times, presenting a most comprehensive and instructive story of the year's mercantile mortality. Mere discussion of totals is of little value, since special conditions or local influences may distort a statement otherwise most favorable. Thus, in 1900, a year of more than ordinary prosperity, a single failure of a brokerage firm for \$13,000,000, due to speculation in cotton, made the total liabilities for the second quarter appear abnormally heavy; while in 1904 the Baltimore fire produced such disastrous results among the small local insurance companies that the aggregate liabilities for the South seemed very heavy, considering the splendid cotton crop and generally successful commercial results in that section. Hence, the importance of a thorough analysis of these statistics, which brings out these details, and prevents the mistaken impression of a casual reference to the year's defaulted liabilities. It has been found that assets reported at the time of a failure are of little significance, since it is often impossible to realize upon the bills outstanding, securities held, and other items included, so that these records give little attention to the subject.

Separation of the year's failure statistics according to occupation discloses the fact that only three of the fourteen manufacturing classes showed heavier liabilities than in the previous year, the largest increase being about \$2,000,000, in miscellaneous. The other two divisions making unfavorable comparisons were those embracing chemicals, drugs and paints, and printing and engraving. In neither of these cases was the difference of significant proportions. On the other hand, many of the remaining eleven classes exhibited large decreases in the amount of defaulted indebtedness as compared with 1904. In machinery and tools, liabilities were over

\$3,000,000 smaller, and in the class embracing manufactures of lumber the decrease was over \$2,000,000. In glass and earthenware the improvement amounted to about \$1,750,000, or a decrease of 50 per cent., and in many other cases over \$1,000,000. Considering the high prices prevailing for raw materials, losses were remarkably light in the footwear and textile industries.

Every one of the fourteen trading sub-divisions recorded smaller liabilities than in the preceding year. This indicates a uniformity of improvement that is especially satisfactory, pointing as it does to the thorough distribution of prosperous conditions. The decrease in the miscellaneous class was over \$4,000,000, and in dry goods over \$2,800,000, while many of the comparisons show differences of \$500,000 or more. Although not quite as unanimous, the comparison as to number of failures in the trading class is remarkably satisfactory, twelve of the fourteen divisions recording fewer failures, and the only two cases of increase being 56 in liquors and tobacco, and 35 in dry goods; while some of the decreases were of considerable size, notably 151 in groceries and meats and 124 in clothing. Liabilities were unusually small in the third division, embracing brokerage, real estate, insurance and transporters other than incorporated railways. Here there was not only a remarkable decrease of about \$20,000,000 compared with the preceding year, but the total was smaller than in any year since statistics were first compiled in this form.

GEOGRAPHICAL LOCATION OF FAILURES.

Although little difference is noted in comparison of the number of failures in the New England States, there was a most satisfactory decrease in liabilities, \$12,030,061 comparing with \$19,538,497 in 1904. This decrease occurred almost entirely in Massachusetts, although there was an improvement of about \$500,000 in Maine. In the other States of

FAILURES BY BRANCHES OF BUSINESS—FIVE YEARS.

MANUFACTURERS.	NUMBER.					LIABILITIES.					AVERAGE
	1905.	1904.	1903.	1902.	1901.	1905.	1904.	1903.	1902.	1901.	
Iron, Foundries and Nails.....	54	81	64	40	37	\$1,729,184	\$2,525,948	\$5,992,435	\$1,104,730	\$1,700,385	\$32,021
Machinery and Tools.....	196	197	235	146	133	5,359,582	8,443,859	16,018,947	2,949,234	3,113,692	27,344
Woolens, Carpets and Knit Goods.....	30	42	31	32	36	1,541,119	1,763,132	1,569,932	1,513,194	1,851,775	51,369
Cottons, Lace and Hosiery.....	14	33	16	22	18	1,100,990	1,920,710	981,982	751,828	1,753,081	78,635
Lumber, Carpenters and Coopers.....	336	321	321	360	320	6,015,870	8,376,913	7,869,774	5,286,260	7,421,215	17,904
Clothing and Millinery.....	426	461	446	435	387	3,701,558	4,120,268	6,779,811	5,580,468	4,874,060	8,698
Hats, Gloves and Furs.....	57	46	69	43	37	475,936	926,192	1,596,661	356,081	688,434	8,349
Chemicals, Drugs and Paints.....	66	46	57	63	43	1,499,901	614,795	1,053,670	929,514	1,540,485	22,725
Printing and Engraving.....	172	184	169	159	137	1,795,945	1,633,563	2,382,535	2,705,105	1,821,905	10,442
Milling and Bakers.....	212	218	208	181	167	1,036,757	1,208,930	2,219,159	862,409	884,367	4,895
Leather, Shoes and Harness.....	77	106	133	120	118	1,828,412	2,654,311	3,185,156	2,546,835	2,427,911	23,746
Liquors and Tobacco.....	107	118	132	111	111	1,521,178	2,389,221	2,412,454	2,425,405	2,366,584	14,244
Glass, Earthenware and Bricks.....	86	86	54	22	33	1,748,273	3,566,859	2,226,575	462,124	989,655	20,328
All Other.....	893	909	1,104	1,015	864	14,894,984	12,805,772	16,399,153	19,715,702	13,677,374	16,679
Total Manufacturing.....	2,726	2,848	3,039	2,749	2,441	\$44,252,629	\$52,950,473	\$70,598,144	\$47,188,889	\$44,967,983	\$16,233
TRADERS.											
General Stores.....	1,542	1,587	1,587	1,612	1,400	\$9,883,664	\$11,274,427	\$9,692,058	\$10,917,081	\$8,291,818	\$6,409
Groceries, Meats and Fish.....	2,041	2,194	1,910	1,996	2,031	7,655,082	8,090,044	7,327,427	6,505,052	6,565,960	3,742
Hotels and Restaurants.....	436	484	414	376	410	2,615,372	3,432,666	2,481,765	2,964,501	3,583,995	5,998
Liquors and Tobacco.....	1,042	986	861	890	870	4,110,681	4,466,164	5,726,968	4,448,850	4,109,660	3,945
Clothing and Furnishing.....	664	788	799	675	667	5,736,568	5,997,662	5,822,573	6,050,693	4,834,303	8,639
Dry Goods and Carpets.....	491	456	470	454	426	5,133,030	7,997,507	8,403,174	4,942,487	5,358,644	10,454
Shoes, Rubbers and Trunks.....	289	334	344	302	290	1,459,495	2,368,486	2,820,127	2,028,039	1,867,823	5,050
Furniture and Crockery.....	193	219	213	178	161	1,205,850	1,665,842	1,569,400	1,593,574	1,343,832	6,247
Hardware, Stoves and Tools.....	314	326	318	295	293	2,853,512	3,091,460	2,555,748	2,246,731	3,596,379	9,087
Drugs and Paints.....	340	351	340	352	330	1,665,616	2,081,596	2,376,458	1,956,744	1,220,503	4,898
Jewelry and Clocks.....	193	216	180	181	161	1,639,554	1,681,230	1,381,338	2,029,481	1,160,808	8,495
Books and Papers.....	62	61	64	62	62	411,205	491,807	377,824	329,848	459,078	6,632
Hats, Furs and Gloves.....	35	46	50	27	24	320,316	576,561	310,962	263,071	189,723	9,151
All Other.....	831	847	890	849	840	7,064,458	11,214,192	11,299,491	9,565,328	9,478,114	8,501
Total Trading.....	8,475	8,898	8,440	8,249	7,965	\$51,754,503	\$64,429,644	\$62,145,313	\$56,081,480	\$52,060,640	\$6,106
Brokers and Transporters.....	319	453	590	617	596	6,659,040	26,822,194	22,700,728	14,206,400	16,070,753	20,906
Total Commercial.....	11,520	12,199	12,069	11,615	11,002	\$102,676,172	\$144,202,311	\$155,444,185	\$117,476,769	\$113,092,376	\$8,912
Banking.....	78	99	121	67	74	20,227,155	28,158,811	29,685,766	31,910,507	18,018,774	259,322

[NOTE.—Iron, Woolens and Cottons include all the branches of those manufactures; Machinery includes vehicles, shipbuilding, hardware, fixtures and implements; Lumber includes saw, planing, sash and door mills and furniture; Clothing includes furnishings; Chemicals include fertilizers and oils; Printing includes books and maps; Leather and Shoes include saddlery, trunks and rubber goods; Liquors include wines, brewers and bottlers; Glass includes pottery, lime, cement and stone; General Stores include department stores and instalments; Groceries include creamery, teas and coffees; Hotels include lodging houses and caterers; Dry Goods include curtains and draperies; Furniture includes glass and glassware; Hardware includes implements and utensils; and Jewelry include watches and optical goods. Brokers include agents, commission men, real estate agents, insurance, storage, express, harbor lines, etc.]

FAILURES IN DIFFERENT SECTIONS.

STATES.	Total 1905.			Total 1904.		CLASSIFIED FAILURES, 1905.							
	No.	Assets.	Liabilities.	No.	Liabilities.	MANUFACTURING.		TRADING.		OTHER COM'L.		BANKING.	
						No.	Liabilities.	No.	Liabilities.	No.	Liabilities.	No.	Liabilities.
Maine	189	\$559,999	\$1,248,407	192	\$1,723,410	41	\$412,086	144	\$773,856	4	\$62,465	..	.....
New Hampshire	58	167,916	405,035	69	355,834	12	149,407	46	255,628	..	.....	..	.....
Vermont	59	166,544	251,149	49	219,473	17	61,267	40	176,354	2	13,528	..	.....
Massachusetts	887	3,077,297	8,169,480	893	14,950,328	332	3,687,539	510	3,035,143	45	1,386,798	2	\$29,663
Connecticut	236	696,787	1,447,256	203	1,513,716	59	606,810	176	836,446	1	4,000	..	.....
Rhode Island	93	227,031	568,734	131	775,736	22	124,155	69	439,451	2	5,128	..	.....
NEW ENGLAND	1,522	\$4,835,574	\$12,030,061	1,537	\$19,538,497	483	\$5,041,264	985	\$5,516,878	54	\$1,471,919	2	\$29,663
" 1904	1,537	8,494,982	19,538,497	..	.....	492	8,460,369	979	7,942,946	66	3,135,182	2	1,540,398
New York	1,290	\$9,893,918	\$20,380,214	1,385	\$28,401,423	517	\$11,533,177	709	\$7,120,264	64	\$1,726,773	11	\$4,863,436
New Jersey	148	1,041,682	2,081,646	221	4,247,147	50	1,297,378	92	727,799	6	56,469	..	.....
Pennsylvania	918	4,780,219	8,990,071	1,113	12,554,031	265	4,865,154	624	3,824,217	29	300,700	7	3,585,115
MIDDLE " 1904	2,356	\$15,715,819	\$31,451,931	2,719	\$45,202,601	832	\$17,695,709	1,425	\$11,672,280	99	\$2,083,942	18	\$8,448,551
"	2,719	25,461,470	45,202,601	..	.....	932	19,158,734	1,645	18,064,841	142	7,979,026	16	8,216,642
Maryland	172	\$642,426	\$1,198,967	187	\$7,587,829	55	\$244,605	113	\$912,890	4	\$41,472	2	\$115,000
Delaware	71	221,811	409,612	44	391,889	9	204,547	58	173,978	4	31,077	..	.....
Dist. Columbia	26	112,285	193,640	29	2,786,921	6	57,573	19	102,624	1	33,443	..	.....
Virginia	169	526,526	808,043	196	1,890,884	19	24,769	148	599,048	2	4,226	..	.....
West Virginia	98	486,323	625,011	100	1,639,135	15	271,906	83	353,111	..	.....	..	.....
North Carolina	142	1,006,425	1,177,255	125	1,246,803	19	598,000	120	563,255	3	16,000	..	.....
South Carolina	108	1,324,231	2,131,514	101	1,474,743	5	1,081,408	100	1,024,760	3	25,346	..	.....
Florida	128	466,017	878,639	126	684,592	24	523,421	104	355,218	..	.....	..	.....
Georgia	311	1,352,298	2,017,067	247	1,847,557	30	672,027	275	1,333,919	6	11,121	..	.....
Alabama	188	590,783	1,133,976	176	1,021,423	19	280,222	165	814,012	4	39,742	..	.....
Mississippi	136	738,722	1,272,419	87	723,306	8	90,411	126	1,163,008	2	19,000	1	250,000
Louisiana	178	1,225,801	1,938,970	137	1,025,403	12	389,689	163	1,499,492	3	49,789	2	180,000
Tennessee	221	1,074,226	1,646,004	220	1,514,906	26	545,090	190	1,066,601	5	34,313	4	2,055,000
Kentucky	170	1,344,404	1,511,565	142	1,530,588	28	706,459	137	700,794	5	104,312	2	512,000
SOUTH " 1904	2,118	\$11,112,278	\$16,942,682	1,917	\$25,385,979	275	\$5,870,121	1,801	\$10,662,710	42	\$409,851	11	\$3,112,000
"	1,917	19,364,068	25,385,979	..	.....	301	9,096,256	1,572	9,182,566	44	7,107,157	11	3,739,272
Arkansas	348	\$716,902	\$1,370,053	339	\$1,262,509	24	\$116,880	319	\$1,231,873	5	\$21,300	..	.....
Texas	422	2,325,556	3,581,746	391	3,780,313	17	173,680	43	3,399,844	2	12,222	3	.....
Missouri	403	1,736,577	2,537,556	458	3,487,059	55	1,216,300	333	1,256,456	15	64,800	1	\$750,000
SOUTHWEST " 1904	1,173	\$4,779,035	\$7,493,355	1,188	\$8,529,886	96	\$1,506,860	1,055	\$5,888,173	22	\$98,322	4	\$750,000
"	1,188	4,617,031	8,529,886	..	.....	128	1,364,811	1,034	5,676,351	26	1,488,724	3	74,000
Ohio	551	\$4,766,729	\$6,433,872	611	\$9,701,064	165	\$3,824,887	373	\$2,234,196	13	\$374,789	13	\$2,904,959
Indiana	337	2,092,675	2,988,941	345	4,915,402	73	1,370,743	261	1,599,698	3	16,500	4	237,000
Michigan	136	953,196	1,678,851	241	2,805,972	34	820,388	102	858,463	..	.....	2	1,060,000
Illinois	770	3,304,926	6,678,106	916	11,949,148	258	2,582,900	468	2,606,178	44	1,489,068	7	1,565,645
Wisconsin	155	1,850,212	3,063,895	141	1,598,614	32	2,239,635	119	772,947	4	51,313	1	35,000
CENTRAL " 1904	1,949	\$12,967,738	\$20,841,665	2,254	\$30,470,200	562	\$10,838,553	1,323	\$8,071,442	64	\$1,931,670	27	\$5,802,604
"	2,254	17,528,689	30,470,200	..	.....	578	11,116,105	1,565	13,436,582	111	5,917,513	29	8,678,400
Minnesota	291	\$1,863,708	\$2,575,086	308	\$2,605,543	63	\$251,407	222	\$1,920,279	6	\$403,400	4	\$720,328
Iowa	285	861,550	1,483,900	348	2,421,400	65	615,200	214	858,500	6	10,200	4	295,100
Nebraska	59	230,748	734,410	95	418,650	4	108,886	54	601,024	1	24,500	..	.....
Kansas	208	289,799	489,930	240	586,009	30	87,742	177	401,188	1	1,000	2	.....
Indian Territory	68	228,672	314,266	91	377,903	2	3,500	66	310,766	..	.....	..	.....
Oklahoma	121	399,393	578,587	111	517,672	6	60,696	115	517,891	..	.....	..	.....
Montana	23	221,970	232,076	36	286,213	4	15,772	19	216,304	..	.....	..	.....
North Dakota	24	227,395	254,340	28	172,630	5	34,204	19	220,136	..	.....	1	12,000
South Dakota	46	114,623	175,592	50	273,826	8	17,004	38	158,588	..	.....	..	.....
Colorado	168	461,950	896,805	136	953,764	18	194,680	147	692,695	3	9,430	4	1,043,909
Wyoming	10	12,850	22,500	6	12,000	..	.....	10	22,500	..	.....	..	.....
New Mexico .....	..	.....	.....	7	42,886	..	.....	..	.....	..	.....	..	.....
WEST " 1904	1,903	\$4,912,658	\$7,757,492	1,456	\$8,668,496	205	\$1,389,091	1,081	\$5,919,871	17	\$448,530	15	\$2,071,337
"	1,456	5,504,999	8,668,496	..	.....	169	1,842,024	1,250	6,180,261	37	646,211	32	5,254,273
Nevada	21	\$42,614	\$91,494	9	\$27,055	1	\$50	20	\$91,444	..	.....	..	.....
Utah	57	136,737	238,303	81	368,808	2	10,000	54	213,303	1	\$15,000	..	.....
Idaho	48	90,150	171,969	76	332,178	6	23,269	42	148,700	..	.....	..	.....
Arizona .....	..	.....	.....	4	8,000	..	.....	..	.....	..	.....	..	.....
Washington	290	1,410,841	1,942,265	297	1,918,378	87	795,563	195	1,120,590	8	26,112	1	13,000
Oregon	161	491,647	747,586	142	676,261	33	121,178	128	621,408	..	.....	..	.....
California	519	1,327,499	2,955,689	513	2,987,719	144	960,971	363	1,811,024	12	183,694	..	.....
Alaska	3	500	16,680	6	88,253	..	.....	3	16,680	..	.....	..	.....
PACIFIC " 1904	1,099	\$3,502,988	\$6,154,986	1,128	\$6,406,652	273	\$1,911,311	805	\$4,023,149	21	\$224,806	1	\$13,000
"	1,128	3,466,834	6,406,652	..	.....	248	1,912,174	853	3,946,097	27	548,381	6	655,826
AGGREGATE	1,520	\$57,826,090	\$102,676,172	12,199	\$144,202,311	2,726	\$44,252,629	8,475	\$51,754,503	319	\$6,669,040	78	\$20,227,155
" 1904	12,199	84,438,076	144,202,311	..	.....	2,848	52,950,473	8,898	64,429,644	453	26,822,194	99	28,158,811

this section little alteration appears in liabilities, while all show a small decrease in number, except Vermont and Connecticut. Two banking failures occurred in each year, but liabilities were \$1,500,000 greater in 1904. Equally gratifying, and more generally distributed, is the decrease in both number and liabilities of failures in the three Middle States, where 2,356 defaults compare with 2,719, and liabilities of \$31,451,931 are about a third smaller than the \$45,202,601 in the preceding year. The largest difference was about \$8,000,000 in New York, while Pennsylvania losses were over \$3,500,000 lighter, and even New Jersey reported a decrease of over \$2,000,000. Banking returns in this section exhibit little change in the aggregate, decreased liabilities in New York being offset by heavier insolvencies in Pennsylvania.

The most striking improvement in the Middle States was a decrease of almost \$6,000,000 in "other commercial" liabilities, most of which occurred in New York and about one-sixth in New Jersey. This was by no means due to unusually heavy losses in 1904, as that year made a much better exhibit than the year preceding. Taking the nine north-eastern States together there appears the decrease in defaulted indebtedness that might be expected in a section of great manufacturing activity in a year of such unprecedented industrial success. This point has been emphasized of late by the resumption of dividends by many New England mills that had made no return to stockholders for many years, and the increased amount distributed by other concerns, together with the restoration of wage scales to the high point attained before the reduction some years ago.

Less general improvement is noted in the Southern States, which is natural in view of the smaller cotton crop and inclination to delay marketing it. For the entire section there was an increase of about 200 failures, or about 10 per cent., yet liabilities were almost \$8,000,000 smaller. Unfortunately, this decrease in the amount of defaulted indebtedness was confined to Maryland and the District of Columbia, where the previous year's figures were swelled by the Baltimore fire and some real estate collapses at Washington. Virginia and West Virginia also reported a decrease of about a million dollars each, but most of the other States made less favorable exhibits. Banking failures were about the same as in 1904, Georgia supplying the bulk of the liabilities that year, while Tennessee made the only unfavorable return in 1905. A slight decrease in both number and amount of liabilities was reported by the three Southwestern States, Missouri making the most satisfactory exhibit, with a decrease of 55 in number and almost a million dollars in amount of liabilities. Manufacturing losses expanded about as much as trading diminished, so that the chief alteration occurred in the third class of miscellaneous commercial failures.

There is nothing in the year's insolvencies to cause any uneasiness about the South, despite the fact that agricultural results in some respects failed to justify the extent to which many districts extended facilities and renewed equipment. In the long run, however, it will probably be found that the higher level of prices fully compensated for any loss in quantity. Meanwhile the diversification of industry made further lengthy strides, and each year the southern States are less dependent on the results at plantations. In fact, manufacturing progress has been so rapid that labor scarcity is becoming a serious problem.

Failures were fewer by about 300 in the five Central States and liabilities almost \$10,000,000 less. The only unsatisfactory State in this section was Wisconsin, where losses increased about \$2,000,000, while a decrease of \$3,000,000 was reported by Ohio and over \$5,000,000 by Illinois. As to banking failures in this section, Ohio made the least encouraging exhibit, 13 failures for almost \$3,000,000 being reported. At the West there was a decrease of 150 in number and \$1,000,000 in amount of liabilities, practically all the alteration in amount of loss being provided by Iowa. Although Nebraska reported 36 fewer failures than in the previous year, there was an increase of more than \$300,000 in liabilities. Changes were small and unimportant on the Pacific slope, California reporting the heaviest losses, as usual, which were almost identical with the previous year's returns. Washington came next with about \$1,000,000 smaller liabilities, but little change from the figures of 1904. At the extreme Northwest the outlook for the year 1906 is particularly encouraging because of contemplated railway extensions that will open up much undeveloped territory and bring a great amount of business to the established cities. Doubtless failures will be swelled by ill-advised and reckless efforts to take advantage of these opportunities, but the net result will be a large increase in the productiveness of that region and material additions to the wealth of the entire nation.

IMPORTANT COMMERCIAL RECORD.

It is doubtful whether it would be possible to compress in smaller space the amount of information regarding the commercial history of this nation, during the past thirty years, that is embraced in the following table. It will be found that the general tendency is indicated equally well by a comparison of such positive measures as prices of securities and commodities, or the negative standard of insolvencies. All tell the same story of irregular progress up to about 1900, with pronounced improvement during the last few years. In some respects the most striking figures are provided by the columns giving the proportion of liabilities to

solvent payments through the clearing houses, and the ratio of loss to each firm in business:

Years.	No. Failures.	Amount of Liabilities.	Liabilities to \$1,000 Exchanges.	Liabilities to each firm in business.	Average 60 active railway stocks.	Index Number.
					High.	Low.
1875..	7,740	\$201,090,333	\$6.02	\$339.87	\$53.50	\$36.14
1876..	9,092	191,117,786	6.59	305.15	47.28	27.58
1877..	8,872	190,669,936	6.27	302.60	36.33	20.58
1878..	10,478	234,383,132	8.26	359.49	37.77	25.51
1879..	6,658	98,449,053	2.50	145.44	67.86	33.85
1880..	4,735	65,752,000	1.29	93.63	87.04	51.74
1881..	5,582	81,155,932	1.26	108.65	101.54	69.93
1882..	6,738	101,547,564	1.67	129.94	94.85	63.77
1883..	9,184	172,874,172	3.34	210.23	79.86	57.58
1884..	10,968	226,343,427	5.15	261.94	66.28	38.68
1885..	10,637	124,220,321	3.06	137.28	63.47	43.45
1886..	9,834	114,644,119	2.34	124.60	71.99	55.28
1887..	9,634	167,560,944	3.27	169.77	72.35	59.03
1888..	10,679	123,829,973	2.50	118.38	65.09	55.71
1889..	11,882	148,784,337	2.65	141.57	66.29	59.65
1890..	10,907	189,856,964	3.12	170.80	69.93	53.61
1891..	12,273	189,838,638	3.35	167.17	66.78	55.29
1892..	10,344	114,044,167	1.83	97.26	68.49	62.32
1893..	15,242	346,779,889	6.39	290.65	66.31	41.71
1894..	13,885	172,992,856	3.79	155.25	52.49	47.37
1895..	13,197	173,196,060	3.25	145.06	56.07	44.49
1896..	15,088	226,096,134	4.37	190.57	50.76	49.71
1897..	13,351	154,332,071	2.69	128.14	59.99	45.64
1898..	12,186	130,662,899	1.89	115.37	67.04	52.55
1899..	9,337	90,879,889	.97	78.62	76.29	66.72
1900..	10,774	138,495,673	1.61	119.63	84.87	68.49
1901..	11,002	113,092,376	.95	94.33	103.98	84.36
1902..	11,615	117,476,769	.99	94.83	116.27	101.03
1903..	12,069	155,444,185	1.42	122.33	109.10	82.62
1904..	12,199	144,202,311	1.28	111.30	107.76	85.74
1905..	11,520	102,676,172	.71	78.75	117.90	106.15

In the following table the number of commercial failures is compared with the total firms in business in the United States, excluding banks. The last column gives the ratio, and it appears that the percentage in 1905 was smaller than in any recent year, with the exception of 1899, and the difference in that case was only four one-hundredths of one per cent.:

Years.	No. of Failures.	No. of Business Concerns.	Per Cent. of Failures.
1896..	1,505	160,000	.94
1897..	2,780	209,720	1.33
1898..	2,608	278,840	.94
1899..	2,799	352,674	.79
1870..	3,546	425,320	.83
1871..	2,915	475,145	.61
1872..	4,069	528,970	.77
1873..	5,183	559,764	.93
1874..	5,830	600,491	.97
1875..	7,740	642,420	1.21
1876..	9,092	681,900	1.33
1877..	8,872	652,006	1.36
1878..	10,478	674,741	1.55
1879..	6,658	702,157	.95
1880..	4,735	746,823	.63
1881..	5,582	781,689	.71
1882..	6,738	822,256	.82
1883..	9,184	863,993	1.06
1884..	10,968	904,759	1.21
1885..	10,637	919,990	1.16
1886..	9,834	969,841	1.01
1887..	9,634	994,281	.90
1888..	10,679	1,46,662	1.02
1889..	10,882	1,051,140	1.04
1890..	10,907	1,110,590	.98
1891..	12,273	1,142,951	1.07
1892..	10,344	1,172,705	.88
1893..	15,242	1,193,113	1.28
1894..	13,885	1,114,174	1.25
1895..	13,197	1,209,282	1.09
1896..	15,088	1,151,579	1.31
1897..	13,351	1,058,521	1.26
1898..	12,186	1,105,830	1.10
1899..	9,337	1,147,595	.81
1900..	10,774	1,174,300	.92
1901..	11,002	1,219,242	.90
1902..	11,615	1,253,172	.93
1903..	12,069	1,281,481	1.12
1904..	12,199	1,320,172	.92
1905..	11,520	1,357,455	.85

LARGE AND SMALL FAILURES.

One of the most useful comparisons of failure statistics is the separation of insolvencies for \$100,000 or more from the much greater number of what may be termed average business concerns. The remaining suspensions, and the average amount of defaulted indebtedness to each, provide one of the most accurate measures of the year's results. In the manufacturing class it is found that 93 failures supplied over \$20,000,000 of liabilities, or almost half the total for the year, leaving only \$23,731,958 for the remaining 2,633 insolvencies. This is an average of \$9,013 for each failure, against \$10,233 in the previous year, and not a single year of the preceding decade recorded as low an average as 1905,

the nearest being \$9,730 in 1901. Equally gratifying is the statement of trading failures, 45 large suspensions providing \$7,688,223 liabilities, while the amount involved in the other 8,430 defaults was only \$13,066,280, or an average of \$5,109. This is also the lowest percentage in any year since complete returns were compiled in this form, the average in 1904 being \$5,516, and over \$6,000 in each of the years 1894 to 1897, inclusive. For all commercial failures it is found that a little over one per cent. in number, or 154, provided nearly a third of the indebtedness, or \$31,087,510, leaving only \$71,588,662 liabilities for the other 11,366 failures. This average of \$6,298 was also smaller than that of any year in the preceding decade, the average in 1904 being \$6,880, and still more in most of the earlier years.

LARGE AND SMALL FAILURES—FOR THE YEAR.

Manufacturing.					
TOTAL.			—\$100,000 & MORE—		
No.	Liabilities.		No.	Liabilities.	Av'ge.
1905.. 2,726	\$44,252,629		93	\$20,520,671	2,633
1904.. 2,848	52,950,473		102	24,850,743	2,746
1903.. 3,039	70,598,144		156	41,067,702	2,883
1902.. 2,749	47,188,889		81	18,789,416	2,668
1901.. 2,441	44,960,983		101	22,190,794	2,340
1900.. 2,409	51,702,142		102	28,042,423	2,307
1899.. 1,925	30,792,164		60	12,160,583	1,865
1898.. 2,415	57,544,361		99	31,324,207	2,316
1897.. 2,776	67,864,088		113	36,328,351	2,663
1896.. 3,418	98,463,851		200	49,473,126	3,218
1895.. 2,635	73,920,073		102	31,742,326	2,533
1894.. 2,832	67,363,775		128	32,588,511	2,704
Trading.					
1905.. 8,475	\$51,754,503		45	\$7,688,223	8,430
1904.. 8,898	64,429,644		67	15,715,548	8,831
1903.. 8,440	62,145,313		55	17,443,194	8,385
1902.. 8,249	56,081,480		39	9,266,122	8,210
1901.. 7,965	52,066,640		38	7,601,161	7,927
1900.. 7,844	59,415,592		61	15,426,634	7,783
1899.. 7,107	48,924,771		44	11,158,554	7,063
1898.. 9,445	61,918,052		54	11,405,263	9,391
1897.. 10,294	74,199,908		59	10,876,093	10,235
1896.. 11,352	109,046,620		147	33,488,202	11,205
1895.. 10,381	92,706,422		102	22,551,833	10,279
1894.. 10,778	93,167,494		96	23,249,470	10,682
All Commercial.					
1905.. 11,520	\$102,676,172		154	\$31,087,510	11,366
1904.. 12,199	144,202,311		215	61,752,334	11,984
1903.. 12,069	145,444,185		250	74,559,323	11,819
1902.. 11,615	117,476,769		157	36,973,783	11,458
1901.. 11,002	113,092,376		180	40,548,527	10,822
1900.. 10,774	138,495,673		170	57,929,059	10,604
1899.. 9,337	90,879,889		132	31,523,186	9,205
1898.. 12,186	130,662,899		176	50,875,912	12,010
1897.. 13,351	154,332,071		191	54,005,987	13,160
1896.. 15,088	226,096,134		374	98,503,932	14,714
1895.. 13,197	173,196,060		224	70,166,892	12,973
1894.. 13,885	172,992,856		254	66,248,240	13,631

BANKING FAILURES.

A decade of history regarding the suspensions of banks and other fiduciary institutions in the United States is given herewith, the national banks being separated from other financial failures. The poorest exhibit was of course in 1893, while the best showing is credited to 1902. The rarity of failures of recent years is best appreciated by a comparison with the enormous increase in number of banks, as shown on another page of this issue, there being now over 16,500 institutions in existence, against 10,500 in 1900.

BANKING FAILURES IN THE UNITED STATES.

	Total		National		All other	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
1893.....	642	\$210,998,808	161	\$67,673,894	481	\$143,324,914
1894.....	125	125,666,035	18	4,803,616	107	120,862,419
1895.....	132	20,710,210	34	5,863,842	98	14,846,368
1896.....	198	50,718,915	34	22,674,512	164	28,044,403
1897.....	171	28,249,700	28	5,977,421	143	22,272,279
1898.....	80	18,395,094	11	4,102,290	69	14,292,804
1899.....	55	27,116,790	10	7,106,567	45	20,010,223
1900.....	58	14,456,563	5	1,312,721	53	13,143,842
1901.....	74	18,018,774	9	5,666,231	65	12,352,543
1902.....	63	10,969,072	2	420,617	61	10,548,455
1903.....	121	29,685,766	12	5,735,477	109	23,950,289
1904.....	99	28,158,811	24	10,257,223	75	17,901,588
1905.....	78	20,227,155	16	4,198,348	62	16,028,807

FAILURES IN DECEMBER.

December failures, according to occupation, made a good comparison with the corresponding month of 1904, on the whole, although the returns were much more irregular. As to manufacturing concerns, five of the fourteen classes suffered heavier losses than in the previous year, although in no case was the difference of significance, whereas in machinery and tools there was a decrease of about \$1,000,000, and in lumber about \$750,000. Eight of the fourteen trading classes reported heavier liabilities than in the previous year, the largest increase being less than \$400,000 in clothing, while in general stores there was a decrease of about \$500,000 in amount and 79 in number of failures. There also appears a material increase in number in the class embracing groceries and meats.

Canadian Failures.

A concise history of insolvencies in the Dominion of Canada is appended, carrying the record back to 1872 as to number and liabilities of commercial defaults. Assets are not available prior to 1893, nor were the liabilities of banking suspensions published before 1894. A typographical

FAILURES BY BRANCHES OF BUSINESS—DECEMBER.

MANUFACTURERS.	NUMBER.					LIABILITIES.					AVERAGE
	1905.	1904.	1903.	1902.	1901.	1905.	1904.	1903.	1902.	1901.	
Iron, Foundries and Nails.....	2	8	11	3	5	\$138,225	\$123,165	\$2,418,680	\$59,024	\$53,200	\$69,112
Machinery and Tools.....	12	21	31	12	10	448,252	1,437,593	780,680	357,218	89,322	37,354
Woolens, Carpets and Knit Goods.....	2	4	4	4	4	47,000	98,800	260,201	201,200	621,253	23,500
Cottons, Lace and Hosiery.....	1	3	3	4	2	15,000	28,000	282,900	173,790	197,667	15,000
Lumber, Carpenters and Coopers.....	30	29	38	23	28	344,999	1,098,225	1,331,447	672,368	426,353	11,499
Clothing and Millinery.....	57	50	65	33	35	426,580	309,664	799,375	506,905	541,609	7,483
Hats, Gloves and Furs.....	12	3	8	11	1	180,009	33,433	187,995	86,900	5,413	15,000
Chemicals, Drugs and Paints.....	2	5	10	4	4	1,300	61,559	200,657	62,543	73,104	650
Printing and Engraving.....	19	11	19	16	13	260,584	96,980	201,727	187,110	377,441	13,715
Milling and Bakers.....	16	20	26	18	13	101,815	60,300	276,183	75,031	76,971	6,363
Leather, Shoes and Harness.....	8	10	15	10	10	414,570	193,315	339,324	165,778	175,900	51,821
Liquors and Tobacco.....	8	9	16	5	8	31,744	470,727	265,739	155,573	311,690	3,968
Glass, Earthenware and Bricks.....	6	8	6	3	2	28,554	40,822	65,881	13,560	28,500	4,759
All Other.....	77	125	198	78	79	1,268,454	1,981,619	1,456,087	1,995,824	1,178,647	16,473
Total Manufacturing.....	252	306	451	224	214	\$3,707,086	\$6,037,202	\$8,869,866	\$4,662,824	\$4,157,570	\$14,313
TRADERS.	NUMBER.					LIABILITIES.					AVERAGE
	1905.	1904.	1903.	1902.	1901.	1905.	1904.	1903.	1902.	1901.	
General Stores.....	122	201	252	132	200	\$997,914	\$1,471,155	\$1,702,358	\$1,619,053	\$1,579,675	\$8,179
Groceries, Meats and Fish.....	165	201	229	148	196	798,862	1,042,108	1,128,385	438,128	556,655	4,841
Hotels and Restaurants.....	44	45	52	29	48	108,391	386,218	333,638	246,811	229,199	2,463
Liquors and Tobacco.....	87	81	76	63	70	447,841	248,131	380,844	184,654	281,665	5,147
Clothing and Furnishing.....	100	113	144	92	69	1,140,609	759,170	944,061	1,027,851	722,068	11,406
Dry Goods and Carpets.....	54	58	65	48	60	496,393	589,817	805,511	502,556	758,927	9,192
Shoes, Rubbers and Trunks.....	33	38	40	25	26	134,760	468,926	276,986	104,659	132,860	4,083
Furniture and Crockery.....	17	14	17	14	12	118,700	68,692	155,753	447,128	107,393	6,982
Hardware, Stoves and Tools.....	29	25	48	38	32	409,431	224,627	413,844	317,381	318,579	14,118
Drugs and Paints.....	30	39	43	28	32	228,415	185,529	157,504	156,855	151,423	7,613
Jewelry and Clocks.....	16	15	30	10	15	91,288	100,923	273,989	132,909	131,027	5,705
Books and Papers.....	5	6	7	2	5	36,235	35,814	70,390	6,421	12,375	7,247
Hats, Furs and Gloves.....	6	2	10	3	1	35,381	6,500	89,438	48,398	16,000	5,880
All Other.....	53	81	101	72	40	803,231	585,738	1,482,391	442,361	1,594,220	15,155
Total Trading.....	761	919	1,114	704	806	\$5,847,451	\$6,173,348	\$8,215,091	\$5,675,165	\$6,592,066	\$7,683
Brokers and Transporters.....	32	39	80	48	61	1,268,817	1,271,369	1,893,496	1,603,040	2,030,805	39,650
Total Commercial.....	1,045	1,264	1,645	976	1,081	\$10,823,354	\$13,481,919	\$18,978,454	\$11,941,029	\$12,780,441	\$10,357

error in the previous statement of banking liabilities in 1905 is corrected in this table:

CANADA.	—TOTAL COMMERCIAL—		—BANKING—	
	No.	Assets.	No.	Liabilities.
1905	1,347	\$6,822,005	5	\$3,672,268
1904	1,246	8,555,875	2	30,749
1903	978	4,872,422	6	2,199,225
1902	1,101	7,772,418	6	269,000
1901	1,341	7,686,823	1	600
1900	1,355	8,202,898	6	1,386,971
1899	1,287	7,674,673	3	2,348,000
1898	1,300	7,692,094	5	512,307
1897	1,809	10,543,529	5	154,000
1896	2,118	12,656,837	3	212,000
1895	1,891	11,500,242	7	613,000
1894	1,876	13,510,056	6	876,814
1893	1,314	3,321,570	—	—
1892	1,688	—	—	—
1891	1,889	—	—	—
1890	1,847	—	—	—
1889	1,777	—	—	—
1888	1,677	—	—	—
1887	1,252	—	—	—
1886	1,256	—	—	—
1885	1,327	—	—	—
1884	1,384	—	—	—
1883	1,382	—	—	—
1882	787	—	—	—
1881	635	—	—	—
1880	907	—	—	—
1879	1,902	—	—	—
1878	1,697	—	—	—
1877	1,692	—	—	—
1876	1,728	—	—	—
1875	1,968	—	—	—
1874	966	—	—	—
1873	994	—	—	—
1872	726	—	—	—

Canadian insolvencies by branches of business make a good comparison with 1904, on the whole, although several wide differences occurred in both directions. Nine of the fourteen manufacturing classes recorded smaller liabilities than in the previous year, the largest decreases being about \$500,000 in woolen manufacturing, and almost as much in lumber, while the decrease in miscellaneous was about

\$350,000. The only important increase was about \$150,000 in iron and steel manufacturing. Six of the fourteen trading classes reported heavier liabilities than in 1904, the largest difference being about \$300,000 in groceries and meats. There was no other change of as great size in either direction.

CANADIAN FAILURES BY BRANCHES OF BUSINESS.

	—1905—		—1904—		—1903—	
	No.	Liabilities.	No.	Liabilities.	No.	Liabilities.
Iron	6	\$197,346	3	\$32,000	3	\$2,000
Tools	19	73,373	23	112,726	15	342,950
Wool	6	83,768	6	570,800	3	269,000
Cotton	1	45,000	1	5,678	—	—
Wood	26	361,021	33	826,184	32	597,433
Clothing	63	219,897	71	254,208	41	214,885
Hats	3	16,981	4	73,745	6	54,776
Chemicals	5	43,449	6	109,886	4	50,724
Printing	13	91,351	6	36,900	8	15,000
Milling	27	268,651	23	67,225	19	109,498
Leather	18	447,400	36	316,368	14	123,149
Liquors	2	2,300	7	24,158	8	43,425
Earthenware	2	8,793	9	87,600	—	—
Miscellaneous	98	1,259,930	79	1,619,390	74	1,120,408
Mnfg	289	\$3,129,262	307	\$4,136,908	227	\$3,043,248
General Stores	295	\$1,725,242	261	\$1,893,250	217	\$1,281,194
Grocers	222	1,229,554	175	903,120	165	723,475
Hotels	57	409,709	48	313,275	40	195,049
Liquors	33	102,578	34	296,552	24	77,840
Clothing	95	463,483	68	374,624	53	282,093
Dry Goods	90	1,250,080	83	1,208,032	61	461,484
Shoes	53	163,494	40	197,487	42	185,155
Furniture	21	176,659	21	235,654	14	134,547
Stoves	36	307,650	30	325,974	22	210,103
Drugs	12	31,215	14	68,941	13	27,407
Jewelry	20	76,697	13	44,504	11	43,344
Books	7	52,500	6	41,650	10	56,200
Caps	7	35,296	2	56,000	3	17,100
Miscellaneous	91	548,664	119	618,725	50	548,552
Trading	1,039	\$6,552,821	914	\$6,577,788	725	\$4,243,543
Transporters, &c.	19	172,576	25	679,421	26	265,933
Total	1,347	\$9,854,659	1,246	\$11,394,117	978	\$7,532,724

The Course of Commodity Prices.

Dun's Index Number of commodity prices proportioned to consumption was \$104.464 on the first business day of 1906, a moderate decline as compared with \$105.312 on December 1, but an advance of about 4 per cent. over January 1, 1905, when the index number was \$100.318. The decline in the general level of prices during the month of December was confined to articles of food, all four divisions under this head showing more or less fall in price. Breadstuffs declined the most, nearly all grain quotations being lower, and there was also considerable difference in the dairy and garden class, mainly due to a reaction of 7 cents a dozen in the price of eggs. Owing to the large per capita consumption of eggs, this change in price had considerable effect on the index number. After leaving foodstuffs, however, every class shows more or less rise for the month, the index number for clothing being the highest in about twenty years, while it is necessary to go back three years to find metals as high, and miscellaneous products make much the same comparison as clothing, equally high figures not being discernible since the early eighties. The chief influences in the miscellaneous class are the various kinds of lumber, brick and other building materials which have gone so heavily into consumption during the past year of unprecedented structural activity.

Taking up the December fluctuations somewhat in detail, it is found that wheat lost all the advance of the previous month, while corn continued to decline, making a net loss of about 11 cents a bushels from the high point of November 1. Oats advanced fractionally, making a continuous rise since October 1 aggregating $4\frac{1}{2}$ cents a bushels, while barley declined about as much as rye advanced. Such slight changes as occurred in beans and peas were downward. The net decline in all breadstuffs during the month of December was about 4.5 per cent. In meats there was a loss of about 1 per cent., the most important difference

being a fall of \$1 a barrel for mess pork, but live hogs and beef both rose slightly. Few changes occurred in the dairy and garden division, moderate advances in milk, cheese and dried apples failing to neutralize the sharp fall in eggs. Scarcely any net alteration appeared in the miscellaneous food class, declines in coffee, hops, spirits and tea slightly exceeding the effect on the index number of higher prices for sugar, tobacco and spices.

In the clothing division the most significant change was a new high record position for recent years in leather quotations, while hides receded slightly from the remarkable level established on December 1, and boots and shoes remained unchanged. Although raw cotton fell considerably from the highest price quoted in the month of December, the net change for the month was a further slight advance, and cotton goods were quoted a little higher. Woolen goods also gained a trifle, but the average of raw wool quotations was slightly lower. Despite some irregularity during the month, raw silk was the same at the close as at the beginning, and also unchanged in comparison with the position on November 1, but rubber advanced five cents for the month and seven cents for the two months. It is extremely gratifying to note such an insignificant gain in metals, in view of the phenomenally high positions attained by tin, copper and lead, because this means that no excessive rise occurred in the iron and steel products which are of so much greater consumption. In previous years of great activity in this industry, speculative inflation carried prices of iron and steel to a much higher position, restricting demand and ultimately producing such excessive accumulation of stocks as to cause serious depression. Had the leading metals followed former tendencies, it would not be possible to find a higher position for that class as recently as January 1, 1903, because in the three years minor metals have risen nearly 10 cents for tin, $7\frac{1}{2}$ for copper and almost two cents for lead, or about 35, 60, and

45 per cent., respectively. The advance in the miscellaneous class was chiefly due to higher prices for brick, lath, turpentine and linseed oil, while the only weakness appeared in drugs and chemicals.

Opening prices in January, 1906, compare as follows with dates back to 1860, separated into seven general classes for convenience of comparison. In compiling this record due allowance is made for the relative importance of each of the several hundred quotations used:

	Bread-	Dairy	Other	Cloth-	Miscella-	Total.
	stuffs.	Meats.	Garden.	ing.	neous.	
	\$	\$	\$	\$	\$	\$
1860, Jan. 1.	23.652	10.084	14.169	8.978	22.094	26.082
1864, Sept. 1.	46.138	17.789	29.426	20.562	31.667	61.964
1870, Jan. 1.	38.076	15.555	21.178	16.240	32.986	27.682
1875, Jan. 1.	26.048	11.932	17.832	14.546	25.718	22.833
1880, Jan. 1.	22.955	9.206	14.007	11.873	22.673	20.002
1885, Jan. 1.	16.342	9.432	14.304	8.996	18.081	15.065
1888, Jan. 1.	18.565	8.920	15.030	10.340	15.140	17.330
1889, Jan. 1.	18.195	8.705	14.670	10.480	15.170	17.360
1890, Jan. 1.	13.765	7.620	12.675	9.935	14.845	16.240
1891, Jan. 1.	19.725	7.810	16.270	10.215	14.135	15.875
1892, Jan. 1.	17.700	7.895	13.180	9.185	13.430	14.665
1893, Jan. 1.	15.750	9.315	15.290	9.595	13.900	15.985
1894, Jan. 1.	13.530	8.655	13.945	8.945	12.880	14.565
1895, Jan. 1.	14.311	8.359	12.166	8.607	11.886	12.026
1896, Jan. 1.	11.380	7.540	10.969	8.898	12.787	12.803
1897, Jan. 1.	11.729	7.327	10.456	8.170	12.407	13.014
July 1 (low)	10.587	7.529	8.714	7.887	13.808	11.642
1898, Jan. 1.	13.511	7.336	12.371	8.312	14.654	11.572
1899, Jan. 1.	13.816	7.520	11.458	9.096	14.150	11.843
1900, Jan. 1.	13.254	7.258	13.702	9.200	17.484	18.085
1901, Jan. 1.	14.486	8.407	15.556	9.504	16.024	15.810
1902, Jan. 1.	20.002	9.970	15.248	9.952	15.547	15.375
1903, Jan. 1.	17.104	9.522	14.613	9.418	15.938	17.185
Feb. 1.	17.660	9.180	14.337	9.365	16.268	17.095
Mar. 1.	17.868	9.607	13.539	9.405	16.504	17.085
Apr. 1.	16.724	8.659	13.512	9.348	16.406	16.564
May 1.	16.880	9.755	13.164	9.234	16.543	16.585
June 1.	17.034	9.216	13.248	9.216	16.793	16.542
July 1.	17.473	9.269	13.083	9.186	17.136	16.544
Aug. 1.	17.375	8.977	11.800	9.266	17.177	16.489
Sept. 1.	17.477	8.921	12.351	9.242	17.137	16.543
Oct. 1.	16.996	8.830	12.609	9.171	16.816	16.366
Nov. 1.	16.617	7.994	13.584	9.724	16.680	16.170
Dec. 1.	16.348	7.956	14.573	9.648	16.822	16.031
1904, Jan. 1.	17.102	8.138	15.287	9.653	17.316	15.887
Feb. 1.	17.988	8.203	15.078	9.645	18.129	15.774
Mar. 1.	17.521	8.528	14.547	9.469	17.916	15.849
Apr. 1.	18.940	8.496	15.369	9.603	17.773	15.268
May 1.	18.692	8.226	15.401	10.268	17.425	15.360
June 1.	19.525	8.330	13.156	10.396	17.153	15.437
July 1.	18.244	9.033	10.648	10.406	16.514	15.428
Aug. 1.	18.251	8.831	10.689	10.376	16.422	15.491
Sept. 1.	18.471	8.468	11.274	10.575	16.732	15.503
Oct. 1.	18.462	8.586	12.033	10.513	16.617	15.291
Nov. 1.	18.791	8.238	12.880	10.430	16.714	15.389
Dec. 1.	18.042	8.203	13.628	10.321	17.095	15.972
1905, Jan. 1.	18.278	7.550	13.948	10.690	16.319	16.188
Feb. 1.	18.082	8.031	13.656	10.816	16.887	16.170
Mar. 1.	18.075	8.417	14.103	10.661	16.916	16.339
Apr. 1.	17.719	8.599	12.268	10.572	16.984	16.668
May 1.	16.490	8.275	11.319	10.508	16.760	17.290
June 1.	17.978	8.899	10.777	10.477	17.380	15.786
July 1.	18.831	8.614	9.982	9.972	17.986	15.916
Aug. 1.	17.270	8.711	12.121	9.924	16.453	16.141
Sept. 1.	16.669	9.001	12.187	9.896	16.912	16.385
Oct. 1.	16.806	8.703	12.802	9.732	16.776	16.576
Nov. 1.	18.033	8.441	14.802	9.623	18.839	16.689
Dec. 1.	17.298	8.512	14.911	9.833	19.136	16.972
1906, Jan. 1.	16.554	8.426	14.399	9.822	19.313	17.141

NOTE.—Breadstuffs include many quotations of wheat, corn, oats, rye and barley, besides beans and peas; meats include live hogs, beef, sheep and many provisions, lard, tallow, etc.; dairy and garden products include eggs, vegetables and fruits; other foods include fish, liquors, condiments, sugar, rice, tobacco, etc.; clothing includes the raw material of each industry, and many quotations of woolen, cotton and other textile goods, as well as hides, leather, boots and shoes; metals include various quotations of pig iron, and partially manufactured and finished products, as well as minor metals, coal and petroleum. The miscellaneous class embraces many grades of hard and soft lumber, lath, brick, lime, glass, turpentine, hemp, linseed oil, paints, fertilizers and drugs.

During the year 1905 there were several wide changes in the level of prices, the opening figure being \$100.318, followed by a rise of about 1½ per cent. to \$101.939 on March 1, with a reaction to \$97.564 on May 1, which proved to be the lowest point. During the next seven months the rise was almost uninterrupted, attaining the highest position on December 1, after an advance of about 8 per cent. Every class of commodities, except breadstuffs and miscellaneous food products, rose more or less during the year. Clothing made the principal gain, with the miscellaneous class next, owing to the rise in building materials. Breadstuffs declined heaviest, chiefly because of the fall of 25 cents a bushel in wheat. Cotton rose 4.65 cents a pound, wool 2.22 and rubber 13 cents.

It is a noteworthy coincidence that a somewhat similar record prepared by the *London Economist* shows that prices in Great Britain are also now above all records since 1882. As recent advances in many commodities reflect the seasonable influence of cold weather that restricts production, it is better to take the less inflated position on July 1 in making comparisons for a period of years, since at midsummer the markets are free from many of the factors that tend to temporarily distort the statistics. In the following table this record is carried back to 1860, showing the wide

extremes of \$278.987 in 1864, when years of internecine warfare took millions of men from productive activity, down to \$72.455 in 1897 when the lowest point on record was touched after a period of commercial depression during which millions were also out of work, but for a very different reason:

PRICES FOR FORTY-FIVE YEARS.

	Bread-	Dairy	Other	Cloth-	Miscella-	Total.
	stuffs.	Meats.	Garden.	ing.	neous.	
	\$	\$	\$	\$	\$	\$
1860, Jan. 1.	20.530	8.973	12.662	8.894	22.439	25.851
1861, Jan. 1.	15.749	7.485	10.813	7.653	21.147	22.500
1862, Jan. 1.	18.067	7.430	13.406	10.987	28.413	23.207
1863, Jan. 1.	26.154	10.115	13.530	16.359	45.679	37.079
1864, Jan. 1.	45.616	15.685	26.053	27.303	73.485	59.192
1865, Jan. 1.	25.404	16.112	18.049	21.057	49.307	38.956
1866, Jan. 1.	31.471	17.153	23.472	20.821	45.377	41.762
1867, Jan. 1.	36.537	14.278	18.415	20.397	38.169	15.436
1868, Jan. 1.	38.416	13.210	23.614	19.720	35.694	27.385
1869, Jan. 1.	29.116	13.181	18.121	16.347	35.309	28.355
1870, Jan. 1.	25.322	14.161	16.112	13.308	31.480	26.612
1871, Jan. 1.	24.809	12.177	20.799	13.823	30.624	27.371
1872, Jan. 1.	22.171	11.058	17.912	12.914	21.747	20.452
1873, Jan. 1.	20.460	10.114	15.629	13.625	29.411	32.298
1874, Jan. 1.	25.657	11.560	19.142	13.678	27.260	25.254
1875, Jan. 1.	24.848	13.287	14.918	14.418	25.318	23.515
1876, Jan. 1.	18.777	10.726	15.912	12.914	21.747	20.452
1877, Jan. 1.	21.812	10.036	17.790	13.321	21.850	15.378
1878, Jan. 1.	15.672	8.181	10.608	11.346	19.836	15.789
1879, Jan. 1.	17.054	8.239	10.253	9.884	20.420	15.149
1880, Jan. 1.	17.461	9.230	12.594	11.539	21.984	18.708
1881, Jan. 1.	20.369	11.381	11.311	11.663	20.982	19.235
1882, Jan. 1.	18.844	10.808	12.885	11.627	21.202	19.832
1883, Jan. 1.	19.018	11.210	12.250	10.726	20.209	18.071
1884, Jan. 1.	17.871	11.172	11.369	9.323	19.014	16.272
1885, Jan. 1.	16.370	9.205	10.872	8.712	17.740	14.132
1886, Jan. 1.	15.311	8.906	10.241	8.570	18.063	13.666
1887, Jan. 1.	15.156	8.667	11.188	9.252	18.174	16.035
1888, Jan. 1.	16.984	9.416	11.849	9.917	17.447	15.366
1889, Jan. 1.	14.351	8.244	9.695	10.912	17.107	14.782
1890, Jan. 1.	14.867	8.036	10.711	9.749	17.264	15.506
1891, Jan. 1.	13.789	9.217	10.339	16.501	15.197	13.691
1892, Jan. 1.	17.426	8.700	10.403	8.733	15.648	14.827
1893, Jan. 1.	14.963	10.135	11.710	9.188	15.871	14.030
1894, Jan. 1.	15.115	9.389	10.394	8.478	13.860	12.015
1895, Jan. 1.	14.765	8.622	9.874	8.889	15.315	11.021
1896, Jan. 1.	10.504	8.529	13.602	13.602	13.602	13.602
1897, Jan. 1.	10.587	7.529	8.714	7.887	13.808	11.642
1898, Jan. 1.	12.783	7.694	9.437	8.826	14.663	11.843
1899, Jan. 1.	13.483	7.988	10.974	9.157	15.021	15.635
1900, Jan. 1.	14.898	8.906	10.901	9.482	16.324	14.834
1901, Jan. 1.	15.054	9.088	11.030	9.088	16.035	15.153
1902, Jan. 1.	20.534	11.628	12.557	8.748	15.533	16.084
1903, Jan. 1.	17.473	9.269	13.083	9.186	17.136	16.544
1904, Jan. 1.	18.244	9.033	10.648	10.406	16.514	15.428
1905, Jan. 1.	18.831	8.614	9.982	9.922	17.986	15.916

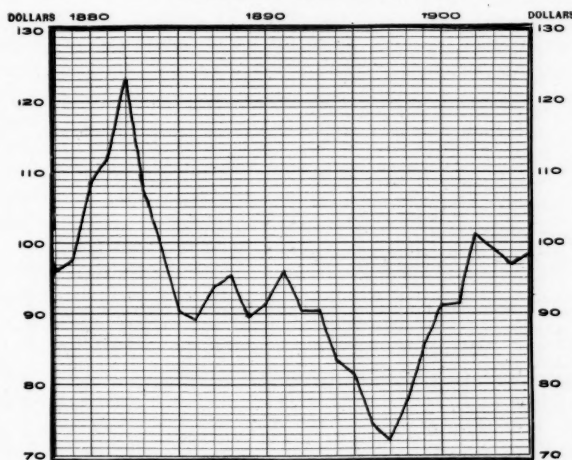
Quotations of all the necessities of life are taken, including whiskey and tobacco, and in each case the price is multiplied by the annual per capita consumption, which precludes any one commodity having more than its proper weight in the aggregate. For example, the price of a bushel of wheat is multiplied by 5.55, representing the annual per capita consumption of 4½ bushels for food, and the remainder as allowance for seed. The price per pound of coffee is taken 9 times, of cheese 2.3, of chemicals only fractions of an ounce in some cases. Thus, wide fluctuations in the price of an article little used do not materially affect the index, but changes in the great staples have a large influence in advancing or depressing the total. For convenience of comparison and economy of space the prices are grouped in seven classes: Breadstuffs include many quotations of wheat, corn, oats, rye, barley, beans and peas; meats include live hogs, beef, sheep, and many provisions, lard, tallow, etc.; dairy and garden products embrace eggs, vegetables, fruits, milk, butter, cheese, etc.; other food includes fish, liquors, condiments, sugar, rice, tobacco, etc.; clothing covers the raw material of each industry, and many quotations of woolen, cotton, silk and rubber goods, as well as hides, leather, boots and shoes; metals include various quotations of pig iron and partially manufactured and finished products, as well as the minor metals, tin, lead, copper, etc., and coal and petroleum; miscellaneous include many grades of hard and soft lumber, lath, brick, lime, glass, turpentine, hemp, linseed oil, paints, fertilizers and drugs. The third decimal is given for accuracy of comparison; thus, \$101.587 representing \$101.58 and seven-tenths of a cent.

Were it possible to secure retail prices for any lengthy period, they would not only have great scientific interest, but would be of value to the casual reader. Unfortunately, the variation in price to the consumer is very wide on the same day, and even in different parts of the same town, while no early market records are available for anything but wholesale quotations. By basing Dun's Index Number on the standard articles of the various industries at points of greatest importance, it has been possible to go back to January 1, 1860, and bring the record up to date. While it

may often happen that the most sensational point of a violent fluctuation does not come on the first business day of the month, yet a record faithfully compiled of prices at such a specified date is of more economic value than erratic statistics dependent perhaps upon the vagaries of speculative manipulation. The per capita consumption used to multiply each of many hundred commodity quotations does not change. There appears to be much confusion on this point, but it should be seen at a glance that there would be no accurate record of the course of prices if the ratio of consumption changed. Granted that it may shift slightly, according to the prosperity of the country, yet it is not sufficient to be of material importance in so far as the relation of the various commodities to each other is concerned, which is the vital point, while it would be obviously impossible on the other hand to obtain the extent of alteration in per capita consumption, even if it were considered desirable.

DUN'S INDEX NUMBER.

Course of Commodity Prices since the Resumption of Specie Payments in 1878.

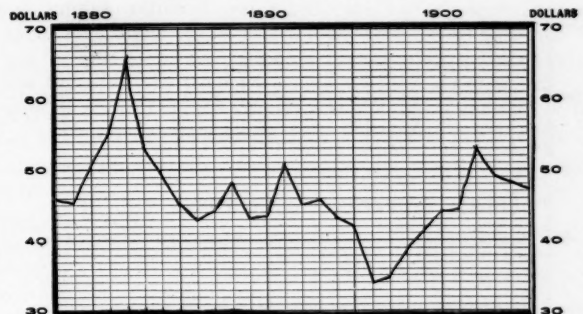


It was possible, however, to obtain figures sufficiently accurate to give each commodity its proper importance in the compilation. This was done by taking averages for a period of years when business conditions were normal and every available trade record was utilized in addition to official statistics of agriculture, foreign trade and census returns of manufactures. One example may suffice to show the faculty of this method for rejecting the errors so easily committed by other price records less scientifically based. During the Spanish war the port of Manila was closed, and the price of hemp rose two cents a pound in one day. This had little effect on consumers, owing to the comparatively small amount of hemp required. If all commodities were on the same basis this would be equivalent in its effect on the aggregate to an advance of \$1.20 per bushel for wheat, an event that would mean famine conditions. But in Dun's Index Number only the amount annually consumed for each individual would appear for hemp, which would also occur in the case of wheat, and their relative importance as articles of consumption measured in pounds would be in the ratio of about 250 to 1.

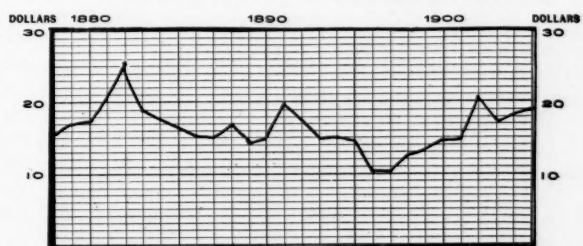
Owing to the vast industrial revolution that has occurred during the last generation, and the generally artificial conditions that prevailed after the war, including monetary uncertainties, more instruction is to be gained from a record of prices dating from the resumption of specie payments, since which time less sensational fluctuations have occurred in prices of commodities, and it is possible to trace with some degree of accuracy the commercial progress of the nation by an analysis of these figures. Diagrams are published here-

with, showing the annual variations in the total of all commodities, and separate illustrations are given for the various classes into which these figures have been grouped for convenience of comparison.

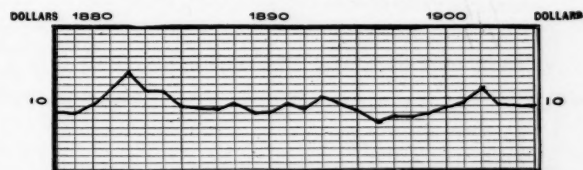
COURSE OF PRICES FOR FOOD.



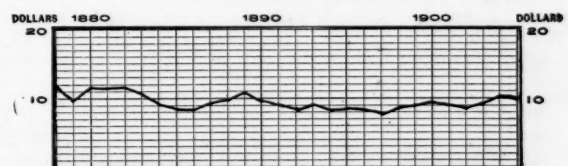
COURSE OF PRICES FOR BREADSTUFFS.



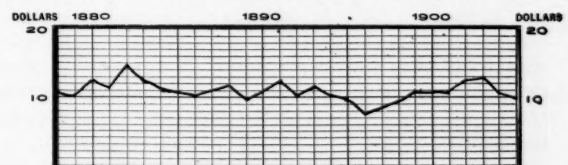
COURSE OF PRICES FOR MEATS.



COURSE OF PRICES FOR DAIRY AND GARDEN PRODUCTS.



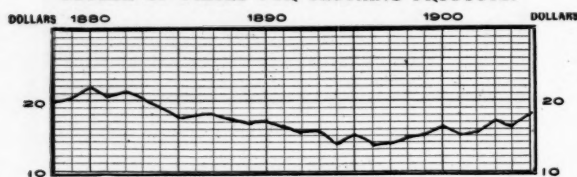
COURSE OF PRICES FOR MISCELLANEOUS FOOD PRODUCTS.



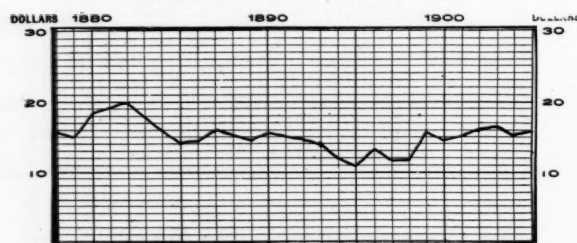
During the period of twenty-seven years covered by the diagrams, the highest point occurred in 1882 when the Index Number was \$123.230, after a most sensational advance in a few years of the greatest prosperity the nation had known up to that time; but, as in all similar cases, the movement was overdone, constructive work was carried to extremes, buildings and railways were erected far beyond the requirements of the country, putting a premium upon all the mate-

rials consumed, and, incidentally, unfavorable weather conditions reduced crops beyond normal requirements, which added to the excessive position attained by quotations. The pendulum next swung too far in the opposite direction, and from 1885 to 1892 ensued a period of irregularity. From midsummer in 1893 to about the same date four years later conditions became steadily worse, factories closing and throwing thousands of men out of work, while here again, the yield of grain was below normal, but prices were not proportionately advanced because wage earners were not able to consume freely, and this country suffered in its international trade balances through diminished exports.

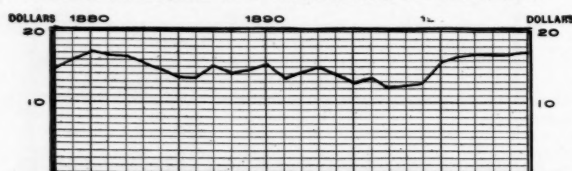
COURSE OF PRICES FOR CLOTHING PRODUCTS.



COURSE OF PRICES FOR METALS.



COURSE OF PRICES FOR MISCELLANEOUS PRODUCTS.



During the five years from 1897 to 1902 all the loss in prices was more than recovered, and industrial conditions became so uniformly encouraging that again there was evidence of excess. Productive capacities were expanded beyond requirements and stocks accumulated at the mills and factories, manufactured from raw materials purchased at prices which made profits impossible with the slightest check to demand. Here again, the potency of the agricultural element was much in evidence, an unusually short corn crop carrying prices of breadstuffs and meats to the highest position in about two decades. But this situation was less serious and more quickly remedied. Crops again attained satisfactory dimensions and accumulated stocks were quickly assimilated, while the nation has since not only grown up to the facilities of that time, but has passed far beyond.

Food products enter into the total of all prices more largely than any other class taken by itself, food products representing about one-half. The course of prices for food products follows in the main the prices of all products, though fluctuations at times are more severe than in other products. The same is true as to the fluctuations in breadstuffs, prices of which are the most important factor in the total of food products. As to meats, prices have not varied much; they were high in 1882 and low in 1897, and, while there was a considerable advance in 1902, they have tended downward in the past three years.

Prices of metals and clothing products (wool, cotton and such materials), and of miscellaneous articles, building supplies and chemicals, have changed from year to year, but have not fluctuated widely. Metals are slightly above the level prevailing prior to the panic of 1893, while clothing products are at about the same point as in 1886, there having been a general decline and a quite gradual recovery since. Miscellaneous products are higher, and this is in large measure due to the advances that have occurred in building materials.

At the present time conservative interests earnestly endeavor to prevent inflation of quotations, and in many of the industries it is found that prices of finished products have not risen in proportion to the cost of production, either as to raw materials, wages or other expenses. This fact is most clearly shown in the accompanying table, which gives relative percentages of quotations to earlier dates for both products and materials in the four leading manufacturing industries.

In the following table percentages of all quotations in each class to those of distant dates are given; hides, leather and boots and shoes to January 1, 1888; iron and its products to January 1, 1887; and the others to January 1, 1860. No allowances are here made for great improvements in the qualities of goods quoted:

Date.	Hides.	Leather.	B. & S.	IRON.		Wool.	Woolens.	Cotton	Cottons.
				Pig	Prod.				
1900.									
Jan. 3...	157.98	109.61	96.01	112.7	96.93	76.1	68.8	69.9	64.7
1901.									
Jan. 2...	133.88	98.15	91.08	68.4	66.50	59.5	65.0	93.7	65.2
Aug. 21...	139.74	98.04	89.35	71.5	71.84	52.9	59.1	74.5	61.3
Sept. 4...	142.83	98.04	89.35	70.1	72.50	53.1	59.1	77.3	61.5
Nov. 6...	152.12	103.78	91.71	72.5	73.16	52.9	59.1	71.0	62.1
Dec. 4...	147.56	104.56	91.71	75.4	71.84	54.0	59.1	76.1	62.1
1902.									
Jan. 2...	149.51	104.30	91.71	77.3	71.58	54.3	60.1	76.7	63.8
March 5...	132.57	101.95	94.08	84.5	73.16	54.7	60.1	82.9	63.8
April 2...	128.34	98.56	93.76	89.0	74.74	55.0	60.1	81.8	63.8
June 5...	142.18	98.56	92.79	98.0	76.58	54.3	60.1	85.2	63.7
June 19...	142.20	98.52	92.74	102.8	76.05	54.4	60.1	84.1	63.7
Aug. 14...	153.42	100.65	92.82	104.4	80.26	56.7	61.1	81.8	61.8
Sept. 25...	156.35	101.43	93.61	104.8	79.84	57.0	61.1	81.7	61.9
Oct. 2...	156.03	101.40	93.61	104.8	79.84	57.6	61.1	80.7	61.9
1903.									
Jan. 2...	142.02	100.13	94.24	104.4	76.96	62.5	62.4	79.5	60.9
Jan. 29...	139.41	100.65	94.24	105.7	75.46	63.6	64.5	82.3	63.0
April 23...	131.59	99.35	95.66	101.0	75.71	62.7	64.9	94.5	65.0
April 30...	134.53	98.04	95.66	100.2	75.71	62.7	64.9	97.3	65.0
June 4...	140.06	98.81	95.66	96.2	74.74	62.1	64.9	104.5	67.1
Aug. 6...	130.29	96.47	95.97	83.9	72.79	67.6	62.8	115.9	70.0
1904.									
Jan. 2...	130.94	91.26	96.44	68.4	67.53	67.2	62.8	121.7	73.4
Feb. 1...	131.27	94.13	97.23	66.9	66.30	67.7	61.5	156.8	78.0
March 17...	129.15	93.61	97.23	67.6	67.25	68.6	61.5	142.2	78.1
July 1...	137.46	89.96	97.23	62.1	67.26	70.7	61.3	98.6	72.5
Oct. 1...	149.84	93.35	97.07	62.1	61.47	73.0	63.3	95.0	63.2
1905.									
Jan. 3...	157.98	99.35	99.75	79.7	67.74	79.6	64.7	64.6	62.3
May 24...	162.87	102.21	102.12	77.7	69.65	82.6	67.8	78.6	60.5
June 17...	163.19	101.95	102.12	76.1	69.37	83.4	67.8	83.2	60.5
Aug. 25...	179.81	105.08	111.57	72.6	68.58	87.9	67.7	101.8	69.4
Dec. 30...	183.38	111.86	121.03	85.2	72.53	87.1	68.8	110.9	73.5

Compared with the average of prices seventeen years ago, hides have advanced over 83 per cent., and in fact are actually above the Civil War quotations in some instances, yet boots and shoes rose only 21 per cent. This difference represents improved methods of manufacture, better factory systems and more efficient machinery; the consumer benefitting to an extent that is not appreciated in generalizations regarding the higher cost of living, which incidentally often ignore the fact that wages are more than keeping pace with the prices of commodities, except in rare instances. Both in pig iron and steel products the level is much lower than at the earlier date, but finished steel shapes have cheapened 27½ per cent., while the raw material is also only 15 per cent. lower. Very similar proportions are noted in the woolen industry, while this comparison is carried back to 1860; even after the recent rise to the highest point in about twenty years, wool shows a decline of 13 per cent. from the earlier date, and woolen goods cost 21 per cent. less. Cotton has fluctuated more erratically than any other material covered by this record, and now stands about 10 per cent. higher than in 1860, but in the meantime cotton goods have become 27½ per cent. cheaper.

Ship Subsidies in European Countries.

[Written for DUN'S REVIEW by an editor of a leading English shipping journal.]

It is difficult to write about the ship subsidy question without appearing to take sides either for or against the payment of bounties. The whole matter has become so interwoven with political controversy that the facts are constantly distorted and misrepresented to suit varying opinions, and there is scarcely an article written on the subject which is not prepared from the point of view of a special pleader. It is, therefore, desirable to give a sketch of the subsidy system as it obtains in the various countries of the world, together with the results apparently so far achieved and the obvious conclusions arising from ascertained facts, entirely without reference to the political aspect of the subject and solely as a record of the facts as nearly as these can be ascertained.

Subsidies in one form or another are given to shipping lines by very nearly every civilized nation in the world. This assertion, however, needs a little explanation. It is true only in the sense that all payments made by a State to firms or individuals engaged in private competitive business are bounties. The money so paid comes from the pockets of the people of the nation as a whole, and the cash undoubtedly helps those who receive it and who are thus favored to the detriment more or less of others engaged in the same business. When the British press waxed wroth at the assertion that considerably over a million pounds sterling is paid in subsidies to shipping companies, their anger is due to what they term the absurd misapplication of the word "subsidy." They contend that out of the whole of this gigantic sum, less than £50,000 is paid as pure "bounties," the great bulk of the money representing the purchase by the government of room for mail bags in the steamers running between England and all parts of the world. Nevertheless, everyone in England admits that though the cause of the heavy payments made to shipping concerns is not a desire to subsidize them, yet the effect of the operation is to give to the mail carrying lines a splendid financial lift every year. "British policy has been hitherto," unanimously says the committee which sat on the matter a few years since, "to subsidize ships for postal or admiralty purposes only, and to exclude all considerations of trade interests, but even in the British case rapid postal communication has mainly followed in fact the lines of great commercial traffic, and to this extent British postal subsidies are paid for the assistance of trade." Leaving on one side all theoretical considerations, it may be stated as a broad fact that all payments to shipowners and shipbuilders by the various governments are looked upon by the recipients as very valuable aids to their respective enterprises, and are used for the purpose of pushing and extending their trading operations. If it were not for these payments, many of the firms in question would certainly not occupy their present strong financial position, nor would the concerns which are thus supported make so brave a show against their foreign competitors. If anything more than this can be claimed for a bare unabashed subsidy it would be interesting to hear it, so that after all the controversy as to what is and what is not a bounty merely resolves itself into a question of the meaning of words.

As the actual payments to shipowners made by the United Kingdom are often very incorrectly stated, it will be as well to again put them down in black and white. When the Cunard Company in about another year receives the £150,000 annually from the British government for the extra services rendered by the two 25-knot flyers, the total sum to be voted yearly by the British Parliament under the head of "payments to shipping companies," will be £1,127,145, or something like five and a half million dollars,

Of this huge amount, £860,000 is for mail services, £200,000 for admiralty subventions (a term applied to payments for holding vessels at the service of the government in case of war), £40,000 for a pure subsidy for the Elder Dempster line to Jamaica (given to encourage the fruit trade with the West Indies), and £13,000, being half of the sum of £26,000 paid by Canada and the United Kingdom for a West Indian service between the Dominion and Jamaica. It will be noticed that there are no bounties on "construction" and none on "navigation," with the exception of small sums that are paid for the purpose of encouraging the trade with the West Indies. Nor are there any indirect bounties in the shape of preferential railway rates or special import taxes to encourage direct shipments, such as are sanctioned in Germany and France, respectively.

Recent happenings in the United Kingdom, however, and certain statements which have been let fall by some of its most prominent and popular politicians do not place the reason for the adoption of the passive rather than the active subsidy system any higher than that of present expediency. Bounties are not as a rule given to successful industries, but the shipping of the United Kingdom with its volume equal to that of the rest of the world combined, its value of something near £150,000,000, and its estimated earnings of £90,000,000 annually, does easily lend itself as an argument in favor of munificent State endowment to such undertakings. Indeed the very opulence of Great Britain from a maritime point of view, obviously leads other countries possessing natural advantages every bit as promising to try to find out whether a little judicious Government assistance might not be an excellent national investment.

Germany with its ample supply of low priced and very skilful labor and its great ambition to become a commercial and industrial center, wishes both to extend its trade abroad and to build up a big Navy. To do these things effectively it is obvious that the creation of a vast mercantile marine would prove of immense assistance, hence the thoroughness of the German shipping subsidy system which has succeeded in practically converting the great ocean lines running to and from the Fatherland into State partnerships. France is not so ambitious either as regards a Navy or with reference to its foreign trade but it is intensely anxious to form a Colonial Empire and to keep up its standing in the eyes of the world, and is willing to spend almost anything to sustain its commercial position on the seas and the supply of trained French seamen for service on its warships in case of need. Every move made by Germany is followed by activity on the part of France, though of course the economic conditions which obtain in the two countries do not permit of these movements always taking exactly the same lines. On the face of it, the continuous and persistent subsidizing of sailing ships by France would appear to be an almost puerile proceeding, but the importance of having a strong Naval Reserve lies at the bottom of this policy, and none but those intimately acquainted with all the facts have a right to quarrel with a plan which is heartily supported by practically the whole of the people who pay the expense. Russia with its subsidized Volunteer Fleet which, as has only been too clearly proved, is a private concern in name alone, Austria with its "trip" bounties and shipbuilding subsidies, Italy with its efforts to follow on the same lines as France, Holland with its large endowments to the shipping companies running to its colonies, and Japan with its great Nippon Yusen Kaisha, are following out the same policy of making sacrifices to get so to speak a national footing on the sea, and now after doing these things on a small scale, the United States steps forward with a large proposal at once commercial and patriotic, to

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spend money in encouraging the formation of a great mercantile ocean fleet, to help the defence of the country by aiding in the construction of vessels to be used as armed cruisers, and to promote the foundation of a big ocean industry which will provide employment for both capital and labor.

Taking a total of nine million tons which is on the shipping register of the United Kingdom and the value at something like £150,000,000, it will be seen that the payment of £1,127,145 given in some form or other by the State works out at less than 1 per cent.

On the other hand, Austria with a total mercantile marine of less than 200,000 net tons pays more than £300,000 in subsidies, and at an estimated value of £4,300,000 it will be seen that the payments come to 7½ per cent. on such value. On the same basis Hungary pays 9 per cent. and France whose tonnage is estimated to be worth £12,000,000 pays bounties which represent fully 12½ per cent. on the value of her ships. It is interesting to note that according to British figures the amount of bounty which the fast vessels of a British mail line would earn under the proposals of the American Subsidy Bill would amount to 20 per cent. on the invested capital. As regards individual companies the payments to the North German Lloyd line and the Hamburg American line by Germany work out at about 9 per cent. on the capital, whereas a little over 1 per cent. represents the amount so far given to the Cunard Company by the British Government, though this will be brought very near the percentage of the German companies when the subsidies are given for the new boats now under construction. The average dividend of the Cunard Company over some seven or eight years has been about 2 per cent., so that if there had been no payments by the Government there would have been no profit to distribute.

On the other hand, the average dividend on the deferred stock of the Peninsular & Oriental Company, a concern which draws fully one-third of the total amount paid for services by the British Government, has been more than 10 per cent., the effect in this instance being the same as in the case of the German lines, to increase the amount divided among the shareholders. As regards the North German Lloyd a very interesting state of things is shown. This concern receives a grant of £280,000 per annum, which represents 7 per cent. on the capital of £4,000,000. The dividends of this line, despite the recent shipping depression, have on only one occasion sunk to anything like zero, and it is evident that if subsidized companies like this and the Peninsular & Oriental can run their vessels to pay actual working expenses alone, they will be able to distribute substantial sums among their shareholders. The normal dividend of the two big German lines runs to an average of 8 per cent., whereas the average dividend of 25 of the leading British shipping companies in the five years before the recent depression averaged only 4½ per cent. The amount of United States tonnage registered for over-sea trade is of course exceedingly small as compared with the shipping engaged in this traffic on the part of the United Kingdom, the 1904 returns showing something like half a million tons as against nine million tons. Any subsidy therefore which would be granted by the United States would manifestly work out at a much higher rate per cent. in the one case than in the other if ocean going vessels alone were considered. It must be kept in view, however, that the vessels "enrolled and licensed" by the United States and which include the lake and river steamers make up a very respectable total, the returns for 1904 recording 2,880,678 tons net under this head, so that the percentages even with a big subsidy, all things taken into account, would show up fairly well.

Having thus looked at the subsidy system as it actually exists in various parts of the world attention may be paid to the nature of the services which are rendered to the different governments by the lines thus assisted. It is important to regard the subsidy question from the point of view of an outbreak of war and the assistance which could be rendered

to the Government under such circumstances. The £200,000 which the British Admiralty are to give the seven subsidized steamship companies for holding some 50 vessels at the call of the Government in case they are required, is to be paid for this service, though it is obvious that from a national standpoint as a whole the withdrawal of the fast merchant vessels from the regular trade for work as armed cruisers even in time of war would not be an unmitigated gain. With regard to the conditions under which the Admiralty subventions are given in the United Kingdom, that is to say the value which the Government receives for the £200,000 paid yearly to the steamship companies as Admiralty subventions, it may be said that the vessels in question have all to be built according to Admiralty requirements so that when necessary they may be fitted out as armed cruisers, that a certain proportion of the men employed on these boats must be on the Government's Naval Reserve force, and therefore of British nationality, and that for a certain sum per annum the companies agree to allow the Admiralty whenever necessary to take up the ships at which they call and from that time the Admiralty pay a fixed charge for the hire of the vessels. The terms of the agreement between the North German Lloyd Co. and the Imperial Government are such as to practically bring about a joint ownership between the contracting parties. The freight and passenger rates and conditions are to be settled by the Imperial Chancellor who is also to fix the time tables, supervise the construction of the ships, and may even refuse to allow the company to sell a steamer to anyone but himself. All the persons employed are to be Germans, and the vessels are to be built in German yards with German materials and run with German coal. To a certain extent these conditions have been followed by the British Government as regards the new Cunard steamers, but up to the present the only terms of this kind imposed by the United Kingdom have been those referring to the submission of plans for approval and the power of the Navy to buy the vessels when required. France, Russia, Japan, Holland, the United States, and almost every other nation undoubtedly count this possibility of claiming the services of subsidized steamers as one of the most valuable considerations which are rendered for the money paid out. The usefulness of the mercantile transport in time of war has been abundantly proved in every modern struggle between maritime powers, and the tendency lies in the direction of increasing rather than diminishing the number of fast cruisers which in time of peace earn dividends for their shareholders in ordinary trading adventures.

Another of the chief reasons for the payment of large sums to shipping concerns is the assistance which is rendered in promoting foreign trade. The United Kingdom, as has been said, repudiates any desire to actively encourage commercial pursuits, but the effect of the payment of over a million sterling per annum to shipping concerns cannot help but aid the companies whose services are thus employed. An instance will illustrate this. Sir Thomas Sutherland, the head of the great Peninsular & Oriental Company, a concern which receives no less than £350,000 per year from the British Government, recently stated that in consequence of the conditions laid down by the Post Office and the Admiralty his company had to build vessels of a class which cost something like £30 per ton instead of the £10 per ton which would be paid if no money were received from the Government and if the mail and other requirements had not to be taken into consideration. There can be no question but that the superior class of vessel which has thus been placed on the service has helped the Peninsular & Oriental Company to push both its cargo and passenger trades, and the same remark must apply to the Oriental line, the Royal Mail Co., the Canadian Pacific Railway Co., the Cunard Co., and the other concerns which are hired by the State to render various kinds of services.

German lines receiving subsidies have undoubtedly of late years made a big bid for British trade, and in some

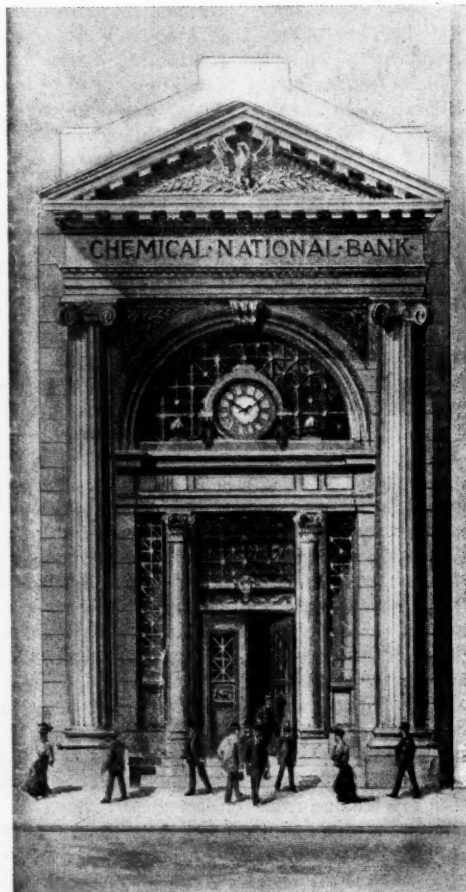
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instances have displaced local companies even in Great Britain. The North German Lloyd, for instance, for some years has had a regular service between Manchester and German ports, taking the cargo which was formerly shipped by Liverpool liners, and on the east coast steady and increasing shipments have been taken by the German lines to feed the big steamers at Hamburg and Bremen. The Messageries Maritime Co. are doing the same thing at London, and indeed it was mainly owing to these facts and the claim of the Germans that they had the fastest vessels afloat that the British public were worked up to the extent of so enlarging the Cunard subsidy as to encourage the company to build the two 25-knot flyers. There are many other instances in which it can be shown that the direct effect of a subsidy has been to interfere seriously with old-established trading services. One of the best known is that of the line of steamers running between the east coast of England and the west coast of Norway. This concern had been kept going with fair success by Messrs. T. Wilson Sons & Co. for some fifty years, when suddenly the Norwegian Government gave a bounty to a native company running between Newcastle and Norwegian ports and, in consequence, the English service had to be withdrawn.

Another means of indirectly subsidizing shipowners to the advantage of native trade is largely adopted in Germany in the shape of differential through rates for goods given by the State railways. These reductions are only granted in the case of shipments originating from inland towns in Germany and going by German liners, and the rates are very much lower than those in force for the ordinary railway journey. For instance, it has been shown that the cost per ton of sending iron rails from Birmingham to Liverpool, which is 156 kilometers, is 8s. 4d., while the cost per ton of sending iron rails from Oldenburgh to Hamburg, which is 160 kilometers, is 3s. 2d. Again, the cost of the carriage of machinery packed for export from Leicester to Glasgow, 504 kilometers, is 36s. 4d. a ton compared with 7s. 10d. a ton charged for carrying the same description of goods from Wronke, East Prussia, to Hamburg, just the same distance. There is no question but that these reduced railway rates have been fixed with the primary object of building up, promoting, and increasing the German export trade, especially to East Africa and the Levant, and enabling it to compete successfully with the trade of other foreign states to the countries in these parts of the world. In spite of these low rates the Prussian state lines pay 7 per cent. dividend, and there cannot be much doubt that a handsome sum is practically given yearly to German traders by these reductions. The bounties which are paid to French sailing vessels do not appear to have helped the shipping of that country, if figures prove anything, so much as they have hurt the sailing vessels of other countries. A mileage bounty must undoubtedly encourage owners to run their vessels at freight rates which but for the State assistance would result in a loss, and it is a fact that French ships can sail from a British port in ballast to such a place as San Francisco, and, having loaded a cargo of wheat, return to England to discharge showing a loss on the journey of 25,000 francs, and yet be able to pay a considerable dividend owing to the bounty. Considerable additional help is also given by France to her shipowners by a system of differential taxation which imposes an extra tax on all goods which are not shipped direct from abroad to France but undergo trans-shipment on the journey. Mention has been made of the views of the French Government and people with regard to the *quid pro quo*, which it is believed is being received for the huge sum of £1,787,271 which is paid for mail, construction, and navigation subsidies to the shipowners and shipbuilders of France, while Italy, following on the same lines, though at a respectable distance behind, has in many instances succeeded by means of bounties in pushing out unsubsidized competitors. Some of the smaller nations like Norway and Sweden pay heavy sums to ship owners for the purpose of establishing special lines of steam-

ers with countries with which it is deemed desirable to trade, and it is admittedly on account of such subsidies that the Italians have been able to take lower rates for the iron ore trade at Almeria, that the Japanese are able to carry the cotton goods of Japanese manufacturers to China at a rate which is characterized as quite unremunerative by the Peninsular & Oriental Company, and that the German liners have been able to almost entirely displace British steamers in the trade with British East Africa.

If the word subsidy is to mean "assistance rendered by the State," in its widest sense then the policy pursued by many nations of confining their coasting trade to national vessels must be looked upon as giving a very large indirect bounty to a large portion of the shipping industry of such states. The United Kingdom is one of the few countries which does not thus exclude ships of other nations from its home and colonial trades, but it is extremely likely that in the near future retaliation of this kind will be adopted. Indeed this policy is pretty generally accepted in Great Britain, the only objection being that the participation of foreign vessels in the coasting trade is so insignificant that it would be scarcely worth while arousing the controversy and bad feeling to which the adoption of such a system would give rise. It would be difficult to translate the benefit given to shipowners by this plan into monetary terms, but it must be evident that the exclusion of competition cannot fail to exercise a very great effect on freights.

In considering the question from the point of view of the United States it is not difficult to see the obstacles that exist to the formation of a successful over-sea mercantile marine unless some extraneous help be afforded. All the nations which are not engaged in actively subsidizing their merchant fleets occupy the position of being both large importers and exporters of cargo and the key to the situation is found in the fact that their vessels earn money on both the homeward and outward voyages. On the other hand countries like the United States which are practically self-contained so far as manufacturing is concerned and whose enormous agricultural resources enable them to sell their bulky farm products at rates which defy competition, do not require to import articles which demand plenty of ship room, and the difficulty of finding a single commercial center abroad to which this consideration does not apply naturally causes the American capitalists to hesitate before investing their money in shipping. If one trade does not provide the Englishman with freights he can divert his vessels to more promising fields, for both in imports and exports the merchandise carried to and from the United Kingdom yearly is both bulky in volume and enormous in value. The recent movement in the United States in favor of reciprocity, if it leads to anything, may indeed solve the problem of creating an American mercantile marine, though it may be that in order to encourage capital to be invested in the shipping industry, even with the advantage of plenty of return freights, some pecuniary aid from the Government may be needed. It cannot be forgotten that in this business European nations have had a tremendous start, so that if any hope is to be entertained of catching up with such countries as the United Kingdom and Germany far more than an ordinary effort will be necessary. The cost of building a ship in the United States and the cost of running a vessel under present American regulations and conditions are of course two of the principal factors that make the problem of establishing an American mercantile marine exceedingly difficult of solution. But to a large extent these factors will have a tendency to be less and less effective in proportion to the investment of capital in the industry. Great Britain can build boats cheaper than any other country at present, chiefly owing to the low price of labor, keen competition, and specialization. A huge business is done with customers coming from all parts of the world, and by degrees the cost of production had been reduced to the lowest possible point. If it were made worth while to establish a great number of ocean shipbuilding yards in the United States

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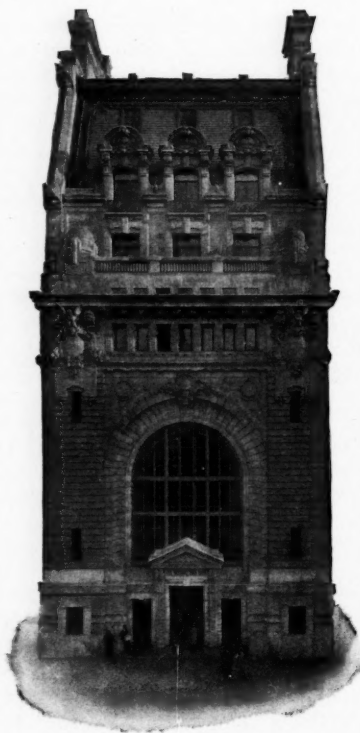
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there is no reason to doubt their ultimate success in bringing down the cost of production to a figure at which competition with the rest of the world will be possible, only it is manifest that such a result cannot be brought about all at once, and that it can only be brought about at all by some very extraordinary and very special effort. It is for the people of the United States to say whether they are willing to pay for the establishment of an American ocean shipping industry.

Germany has answered that question in the affirmative and has succeeded, France has also given her acquiescence

but so far has miserably failed, huge sums are paid yearly in some form or other by every great State in the world to the owners and builders of the national shipping tonnage, sums which, whether for services rendered or not, have certainly helped to develop the great companies which have received them, and there is little doubt that the people of the United States in deciding on their shipping policy will look at the matter from no other than a purely business point of view and will be entirely guided by the consideration as to whether the possession of an American mercantile marine is worth paying for.

Charter Traffic and Ocean Grain Rates.

[Written for DUN'S REVIEW by J. Russell Smith, Ph. D., Wharton School of Commerce, University of Pennsylvania.]

We are now harvesting bumper crops of grain and preparing the surplus for shipment across the seas. For these harvests we have, in the main, to thank climatic conditions of Providence. This fact we all know, but it is equally true, although less generally understood, that the rates at which this grain will be carried across the ocean are also dependent upon the rains of Heaven. This happens because grain rates are absolutely dependent upon the ratio between the supply of grain and the supply of shipping.

It is an adage that ocean transportation is cheaper than land, but it is difficult for the landsman to realize how much ocean carriage differs from land carriage in the freedom of competition. This freedom is due to the same cause which produces the greater cheapness of transportation, namely, the fact that the ocean carrier must furnish only the vehicle, while nature furnishes the roadway, and, in some cases, even the motive power—wind. Upon the railway the cost of the vehicle is an insignificant part of the total cost of service. The important thing is the way itself. The names of the two means of transportation show this. Upon the sea, we speak of ships, which are vehicles; upon the land, we speak of the railroad, which is the way.

Competition by railway is no more a mere competition of vehicles than is war a competition in the production of rifles. The rifle must be placed in strategic position and operated. In these two elements lie the cost and skill in warfare. Competition in railways involves the same strategic location of roadways over thousands of miles of territory. This location must give attention both to the commerce of the region and the topography of the district through which the line must be built. In the building and the maintenance of the road and the costly terminal facilities lies the strength, the weakness and the cost of railways, and its rolling stock is proportionately a small affair.

The spectacular struggles of rival factions in railway fights of recent years have been the strife for the possession of roads, not for locomotives and cars. The financial districts of New York were convulsed by the Northern Pacific corner when the railway magnates were settling the question of who should take possession of that route to the Pacific. The question of rolling stock did not enter. The fight was for a location, not for cars. This method settles the main elements of competition, for, if the railways are not bought outright and competition ended thereby, the so-called community of interests, or other forms of agreement, have done away with the greater part of railway competition, so that we have a control and uniformity of rate which is unknown in most of the sea trade.

If the term rolling stock may be, in a figurative sense, applied to the sea carriage, it will be found to make the whole cost, except some slight office expenses and pier rentals, etc., and it is a strange fact that the ocean carrier has the advantage over the railway even in the matter of securing terminals. The railway must usually own them, while the

steamship company merely rents them. The difficulty of this, for the railway, lies in the fact that if the company does not get its own terminal facilities it cannot complete its service. If the steamship company does not find terminal facilities, it can go to some other port where they are provided, and the freedom of the sea permits it to go with perfect ease. The ambition of the cities makes them provide the needed facilities for ships, and this feature of local ambition promises to continue, and prevent any possible monopoly of docks and piers by any ocean carrier. This is true because any city, no matter how insignificant or poorly located, has ambitions for world trade; and as no steamship company can give to any city all the connections for which its ambition yearns, no city is going to give away the monopoly of its ocean terminals. Accordingly, the place for the ship to unload is easily found, and with comparatively small expense to the ship, so that ocean transportation remains competitive both on the international high sea and within the shadow of the land.

The person who is conversant with the results of combination upon land will probably say, "Why do not the ship owners agree, form a trust and control rates?" Within certain limits this is possible for line traffic, with its special types of vessels which cannot be transferred to other service; but even in line traffic, the way of those who have attempted to control rates has been beset with difficulties, although there are in existence examples of successful control which show that the freedom of the sea competition has, in line traffic at least, distinct limitations. But it so happens that the line traffic is not an important factor in the carriage of grain.

Ocean commerce may be divided into two large classes: The line traffic, with which everyone is more or less familiar, carries the passengers and mails and certain lines of freight, which correspond to express and fast freight business. The line service is in the public eye and achieves a degree of attention which is much beyond its actual merits. A large part of the ocean's work is done by the single vessel operated as a unit, as is any wagon that is for hire on the street corner. It is an individual matter entirely between the shipper and the ship owner. The business is not heralded by expensive advertising, fine engraving and handsome cuts distributed throughout the five continents. All this publicity is costly. The individual ship, which is known as a charter ship, or more commonly as a "tramp," is on the list of some ship broker or brokers who secure a freight for her on commission, and she goes about her work unnoticed by the traveling public or the headlines of the newspapers. She is reported only in the maritime columns of the business journals, and is watched only by those whose business it is to know about her travels, but she carries a large proportion of the world's freight.

The tramp vessel that is free to go when work offers, and to lie in port when it does not offer, has a distinct advan-

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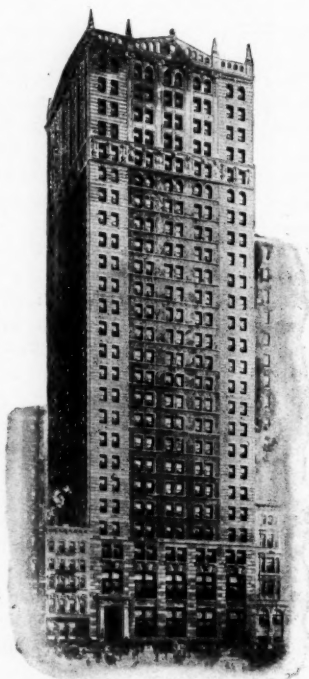
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tage over the line vessel, which must go on a certain date, full or empty, must maintain a schedule and make sailings to ports of call, which in themselves are often unprofitable, but which are necessary, since a line vessel must maintain a reputation, establish relations with shippers and form a clientele. The ambition of the liner is regularity and reliability; the ambition of the tramp is cheapness.

Combination among the tramps, therefore, becomes a very difficult task, more difficult than among the lines, because competition is so easy. When a great line is established full competition can only take the form of another great line, which involves much capital and careful organization. Competition in the tramp service requires merely another ship. It does not even require that the owner shall be a successful manager. He may rent his vessel out to another, who has the necessary acquaintance with the trade, or he may secure a manager who will receive a salary or commission. Any person who has the necessary two or three hundred thousand dollars can go to any one of the scores of ship builders and have a tramp steamer built in a few months. He can have a ship built on part borrowed money, the builder taking a lien on the ship, and when she goes to sea she will go mortgaged. Or, if the newcomer should desire to engage in the ship business and does not care to wait for the ship to be built, there are numerous ship brokers who will sell him one within an hour. The owner of this single ship is then in a position to compete in the world's freight market, and can take service on any sea, in any country, and from hundreds of ports. The ocean is a world ocean; the ship market is a world market; the charter traffic is a world traffic, and the ocean rate a world rate. If there is grain in volume in the Black Sea the ships go there, and the same is true of India, Australia or South America. Wherever freight offers, there the ships may go, and do go; so that while the industry and railway transportation are local matters within a particular country, ocean carriage is absolutely international, and reflects world conditions which are often directly opposite to those prevailing in any particular country. For example, during the bounding prosperity which has prevailed in this country during the past four years we have been experiencing the worst shipping depression ever known.

This tramp steamer, which may be built and owned by anybody and which may sail in all seas, carries the products of any or all countries and is a remarkable free agent. It is to be had, however, only by those persons who can afford to load a whole ship, and that is about the only limitation upon the character of produce that is carried by the tramp vessels. First in the class comes grain; then we have sugar, cotton, ores, coal, nitrate of soda, lumber, china clay, petroleum and many other bulky raw commodities. Occasionally some manufacturer ships enough heavy goods, such as steel rails, locomotives, agricultural machinery, to fill a vessel, in which case he almost invariably does so. The regions producing the tramp freight and the regions consuming the same are widely scattered and embrace every important country in the world. For example, grain is shipped from our Pacific coast, our Gulf and Atlantic ports, from the Argentine Republic, from Australia, from India, from the Black Sea ports, from Egypt and from Baltic Russia. A further analysis of the origin and destinations of prevailing charter commodities would show that we have indeed a world problem. There are hundreds of ports with freight for tramp vessels and there are thousands of ships scattered about the world to do this work. The proper bringing together of the ships and the freight is a world puzzle, compared to which the game of chess is simplicity. The ships must move around the world in such a way that the freight is all carried and that the ships that do the work have as few empty voyages as possible, and must keep continuously employed. The successful adjustment of this complicated situation is one of the results of the development of the ocean cable. Lloyd's agency in Great Britain, with

its branches throughout the world, reports every observed movement of more than 10,000 vessels; maritime associations in commercial ports do the same work; so that the ship owner can easily know where his vessel is and where the vessels of his rivals are. It is necessary, however, that in this work watch must be kept not only upon vessels but upon freight. Most of the products are products that depend upon harvest and commercial conditions. If there is to be a good or bad grain harvest upon the Pacific coast or in the Argentine Republic, tramp ship owners must know it and act accordingly. The differing times of ripening of the various crops in the different producing regions; the particular seasonal demands, make each port or district have its busy season and its off season. Accordingly, the manager of the tramp vessel has a number of problems to consider as he guides his ship through the maze of world commerce. The cable which enables Lloyd to report the movements of all vessels and which reports to commercial interests the condition of crops in foreign countries, also enables the managers of the ships to maintain as good control and knowledge of their ships as does the chess player of the men on the board before him.

The headland that projects into a traveled sea is nearly always occupied by a signal station, where, by means of the international flag signal code, a ship captain can receive orders from his owner. Thus, the incoming transatlantic steamer is reported from Nantucket lightship or Fire Island lighthouse, usually both; on the other side she is reported from one of numerous stations upon the English or Irish coast. From these same stations the captains of tramp steamers are receiving orders to proceed to this port or that. This explains the fact that rates are quoted, as shown in the chart accompanying this article, on charters to "Cork for orders." The grain itself that is sent to "Cork for orders" may be unloaded anywhere between Belfast and Copenhagen. The coasts of Africa, Asia, South America and the islands of the sea are supplied with these signals stations, so that the vessel owner in London, Liverpool or New York moves his steamer onward from station to station, as the chess player moves the men from block to block on the board before him or the train dispatcher manages the trains from his watch-tower in the center of the great urban railway station.

The manager of the tramp steamer often considers more than one voyage when he makes an engagement to perform a certain voyage, for it is necessary that his ship be discharged in a place where freight is to be secured for another voyage, and if such is not the case he may have a long voyage in ballast, where there is cost without income. The result is that the probable second voyage affects the cost of the first. The manager seeks an engagement which will release his vessel near good prospective freights and he avoids engagements that take him into barren seas. He accordingly scans the world's horizon for prospective wheat crops or other freight supplies toward which he can work his ships with a chance of securing freight. For example, in 1901 the American corn crop promised to be short, but reports from Australia indicated an unusual surplus of wheat for shipment to Europe. The owners of tramp vessels made concessions to get vessels started toward Australia in the hope of securing cargoes of this wheat. The voyage to Australia is a long one, and by the time the vessels reached Australian ports the blasting winds from the interior of that arid continent had so injured the wheat crop that there was no surplus grain for exportation. The managers of the tramp steamers had studied their problem, made their forecast, made their move and lost their money. With no cargo in Australia, they had to seek work in the East Indies, Asia, South America, San Francisco and Hawaii, under conditions which in nearly all cases resulted in actual loss.

It is a fact that if a vessel cannot make good earnings it usually pays better to take low earnings rather than nothing. The consequence is that when freight is scarce the rates may go down not only to a point where there is no profit

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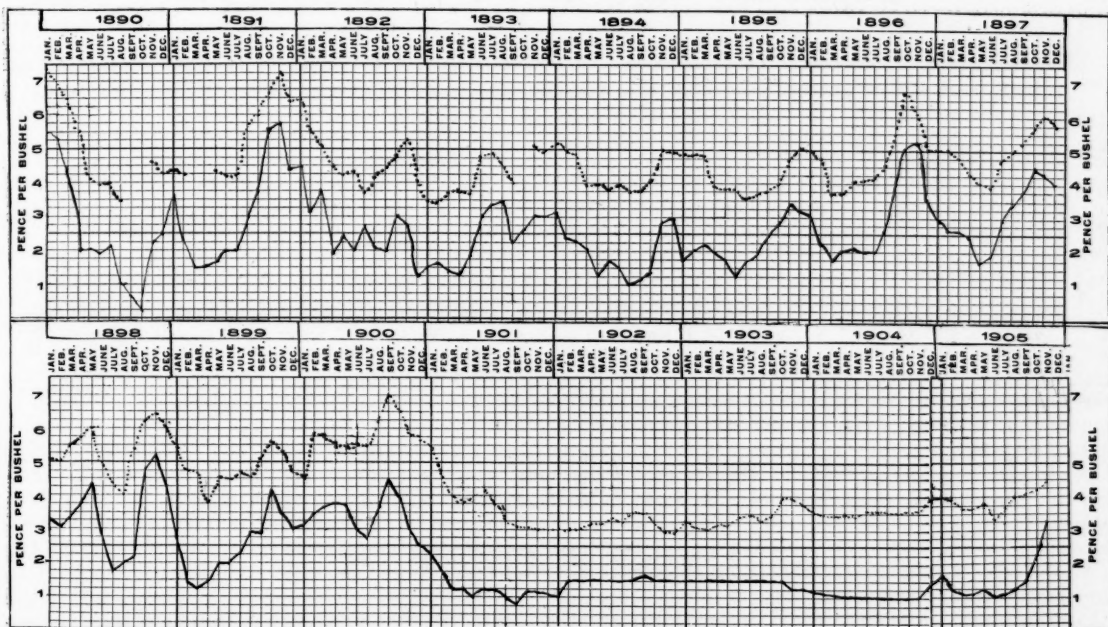
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but below this, because each manager reasons to himself: "If I cannot make profit, it is better to operate at least at cost; if cost cannot be made, it is better to operate at a moderate loss rather than the greater loss of tying up to a pier and allowing the ship to do absolutely nothing." The result is that ocean freights may go to great depths and conversely they may rise to great heights, for when the freight is plentiful and the ships are scarce the only limit to which the freight may rise is set by the limit that the shippers can afford to pay to get a particular deal consummated. No auction room or horse fair could be more competitive than the ship market. If there are two bidders the price rises; if there is one, he has his own way. In response to these primary forces, the bargainers representing the ship and the freight take advantage of every factor in sight, and freights range through hundreds of per cents.

The history of Atlantic rates within the last five or six years shows very conclusively the working of the forces of competition. The chart on this page shows the grain rates from New York to Europe; the dotted line is the rate

autumn of that year they were rising with the returning prosperity in American commerce, and in trade generally throughout the world. Then in October of that year came the Boer war, which required of the British Government the transportation of vast military supplies for a distance of about 6,000 miles. The British Admiralty went into the ship market and secured within a few months a million tons of shipping. This produced a firmness of rates that had not been known for years. The ship owners' time of prosperity had come. Some ships earned their value in a few months. Almost every ship that could move through the water in any way was a source of great profit to her owners. Nearly every owner enlarged his fleet. Fresh capitalists rushed into the shipping business until it became impossible to secure a contract promising delivery of a ship inside of two years. The year 1900 will long stand as the high-water mark of prosperity for the ship owner and for the ship builder. But the tempting profits of that period helped produce an amount of over-building from which the world has not yet recovered. By the spring of 1901 a great deal of new tonnage had been



TRANS-ATLANTIC GRAIN RATES FROM NEW YORK, 1890-1905.

————— New York to Liverpool.

..... New York to Cork for orders.

on full cargoes from New York to "Cork for orders"; the solid line, showing a lower rate, is the rate for small shipments in regular line vessels, New York to Liverpool. Strange to say, this small shipment rate is lower than the full cargo rate. The explanation of this is, that the large passenger steamers must have some heavy freight to serve as ballast. The grain shipper knows this, and accordingly exacts a lower rate than he would be willing to pay for a ship load lot. Another phase of the matter is that the European grain market, if profitable for exportation at all, is profitable for a whole ship load and the exporter would, therefore, rather send a ship load than a small quantity, and if he makes this concession to the great ship, he gets the carriers' concession in a lower rate. An examination of the chart shows that these two rates maintain a fairly uniform relation to each other. They are really set by the price to be commanded by the tramp steamer in the world's ship market. This is the real dominating factor in ocean freight rates; all others must sooner or later bow to it, as this table shows by the uniformity of the difference in the two rates.

In 1899 rates were recovering from the rather unsatisfactory condition that had prevailed most of the time since the beginning of the great depression in 1893. In the

launched, the Boer war was sufficiently advanced for the British Admiralty to begin releasing the ships it had taken for that service; there was a considerable industrial depression in Europe, and in the spring of 1901 rates steadily fell. It is common for the American grain and cotton harvests to produce an autumnal rise of rates, because of the much greater freight movement of that season. In July, 1901, the American corn belt had the worst drought since 1860. The corn crop was cut down by hundreds of millions of bushels, which practically removed the possibility of a surplus for export. Ocean rates again declined. The vessel owners turned to the Antipodes for relief in the promise of exceptional wheat exportation from Australia. Here they were again disappointed, as narrated above. As a consequence, there was no autumnal rise of rates in 1901. In the meantime, new ships contracted for many months before were being steadily and rapidly delivered, and there was such an excess of shipping over the work for ships to do, that the years 1902 and 1903 were the worst that the shipping fraternity had ever seen. The chart for half a century contains no parallel for the dead level of the line representing this period. Millions of tons of tramp steamers during this period did not earn enough to pay for expenses and depreciation. This de-

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pression naturally extended to the ship builders, and the price of new ships reached extremely low levels; so low indeed that people were tempted to order new ships, and so be ready for a rise when it came. This only served to drag out the depression to yet greater lengths. The end is only now in sight. There has at last been some let up in building, and we see the prospects of continued large grain movements in the near future. For the first time in about four years members of the shipping fraternity are cheerful, and while rates are not high, they are profitable, business is abundant and the shipping is busy. The prospects immediately ahead are for higher rates.

The chart of New York charter rates really does not show the comparison of present and past rates as well as the small shipment column does. The rise of this rate within the last two months is over 100 per cent. The charter column does not show such fluctuations, because their quotations were often merely nominal, there being no actual operations because of the absolute lack of business. Now it is booming, some firms have "fixed" more charters within the past month than within the preceding two years.

Current rates are profitable alike to the liner and to the tramp, and prospects for rates on American grain are probably a little higher, as the curves of the chart indicate, but there will be no great rise. Rates are not so brisk in old world markets, and owners are already rushing to the builders with heavy orders.

ANNUAL AVERAGE FREIGHT RATE ON WHEAT PER BUSHEL FROM NEW YORK TO LIVERPOOL BY STEAM.

Year.	Pence.	Year.	Pence.	Year.	Pence.	Year.	Pence.	Year.	Pence.
1871..	8½	1878..	7½	1885..	3 3-16	1892..	2½	1899..	2 7-16
1872..	7½	1879..	6 3-16	1886..	3 5-16	1893..	2½	1900..	3½
1873..	10 9-16	1880..	5 13-16	1887..	2½	1894..	1 15-16	1901..	1½
1874..	8 13-16	1881..	4½	1888..	2½	1895..	2 9-16	1902..	1 7-16
1875..	8 7-16	1882..	3 3-16	1889..	3 15-16	1896..	2 15-16	1903..	1 7-16
1876..	8	1883..	4 5-16	1890..	2 7-16	1897..	3 1-16	1904..	1½
1877..	7	1884..	3½	1891..	3½	1898..	3 7-16		

The preceding table of average rates for a number of years past shows the great decline that has taken place in the cost of ocean service. This is due to better engines, stronger and bigger ships and lower dividends. Fluctuations will continue in the future, but the high rates of the past are gone.

Philippine Problems.

[Third article by James A. Le Roy, American Consul at Durango, Mexico, and a member of the recent Taft party.]

The question that at present is of chief interest to Congress and to the American people is: How far has our government of the islands been beneficial, and how far harmful, in an economic sense? As regards the part which legislation at Washington, and especially legislation with reference to tariff and navigation, has played thus far, it falls more properly with the general discussion of the trade of the Philippines, both with our own country and with the world in general, which will form the topic of the fourth and last paper of this series. How about the Commission's legislation and our actual administration of affairs in the Philippines?

In the first place, as regards public order, the constabulary force of the civil government has not been altogether a success; in fact, in certain provinces the behavior of officers and men has been productive of discontent, which has made for disorder. But the stories told by certain visiting critics of a state of dacoity existing within the islands to such an extent as to paralyze industry and make life and property unsafe are not only false, but silly and ridiculous. In the first place the Filipinos are, as a general rule, peaceable and law-abiding citizens. There might even be some difference of judgment to-day, as between men of large experience in the country now and in former times, whether, apart from a certain few provinces that have not settled down, the actual state of affairs as regards public order is not better to-day than it was before the beginning of revolt against Spain. Certainly this is true of a few conspicuous provinces. It would seem altogether reasonable, however, that a legacy of the guerilla warfare against the United States should remain for some time in some increase of out-lawry. But any picture of the situation which shows the whole populace seething with internal discontent and ready to seize any opportunity to return to the status of 1899 and 1900 is utterly untrue. There is undoubtedly some political feeling back of the continued ladorism of Cavite and parts of Batangas and other nearby provinces, while Samar Island is still a legacy of trouble. But, in so far as regards the development of the material resources of the Philippines, it is a statement altogether easy of verification that, with few exceptions, there are no already settled parts of the archipelago where agriculture does not go peacefully along, and there are few of the undeveloped areas of the archipelago where forestry, mining or agricultural operations need be

blocked at all for fear regarding personal safety. Bugaboos of this sort are wholly unreal.

The fiscal policy of the present government in the Philippines has of late been the chief point of attack for Filipinos, for foreign residents and critics, and for some American critics. Justification has been lent to these criticisms in many particulars, owing to the fact that no well worked out and logical fiscal system has yet been devised by the government in the islands, which found a large surplus accumulated under military rule to begin with, was led into much needed and commendable public improvements somewhat more rapidly than the insular resources would warrant, and has lately been compelled to legislate with an eye directly upon the revenues, not with a comprehensive scheme in mind. The rest is explained by the degree of economic depression prevailing in the islands. Under the conditions the land tax, a new thing in the Philippines, and, as regards its principle of taxation upon assessed valuation, a practically new thing in the Orient, has failed to produce the revenue expected, owing to delinquencies in payments, thus working hardships on many people, until the government has decided to suspend it for a period. That there should be a tax upon landed property will seem reasonable to every American. This was inaugurated, however, under unusually unfavorable circumstances, and it may be that the method of application is not the one best adapted to Philippine landholding conditions. The whole experience points to the necessity for a systematic study of land tenures in the islands in connection with the working out of a comprehensive fiscal system. This would open the way for readjustment of the new internal revenue imposts, and, it is to be hoped, for a general cutting down of the present low customs duties. But it may be considered a very fair accomplishment if a fiscal scheme which has such elements of permanency as to commend itself to any government that may be set up in those islands shall be worked out within the first twenty years after American rule began. The tobacco manufacturers and the distillers complain bitterly of the imposts laid upon their products in the new internal revenue law. Yet their large dividends show no shrinkages. It is too early, however, to say how this law will approve itself in practice. It has, at any rate, sections that are too inquisitorial and too complex of administration to suit a mind with any sense of order or economy in taxation.



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The new government does cost more than did the old government. It ought to; it gives a great deal more in services, and it still falls short of doing a great many things that are urgently needed. The discrepancy in cost is not so great as would appear, however, from what careless writers who have become mixed up in the statistics have had to say. It is about that represented between revenue collections for the archipelago of 12,500,000 to 13,500,000 pesos during the latter years of Spanish rule and revenue collections of 22,000,000 to 23,000,000 pesos during the last two years of American rule. If we reduce these values to gold, assigning the Mexican dollar its value of 75 cents gold during the early nineties, the difference in gold value between the Spanish revenue and ours becomes comparatively small. But this does not tell the story. Taxation then was primarily on the individual or the occupation rather than on property in the main, as it now is; wealth came nowhere near paying its proportional share. Many Spanish offices were conducted partly or wholly on the fee system. "Squeeze" was very common in these offices, especially in the courts. Church fees were collected practically as if government revenues, and usually before all else. The Filipino who was not socially exempted or could not pay a high enough registration tax to escape had to contribute fifteen days of labor on public works. Go into the provinces now and talk with any intelligent Filipino peasant, except in the few provinces above mentioned, and perhaps not in them, and you will speedily discover that he is able to see a substantial difference as between the former régime and the present. A great many of the Filipinos of property, on the other hand, are spending more time and effort in complaints regarding taxation than they are in putting their lands once more into shape not only to meet the taxes, but to produce crops that can compete in the world market, where improvement is constantly the rule.

The above total of revenue collections for the Philippines includes also the provincial and municipal revenues collected and expended under direction of officers of the central government, but expended by the local governments and for their own purposes, constituting a source of funds for schools and public works very much in excess of the amounts provided during the yet more centralized government of former times. In all, these provincial and municipal funds amount to about 5,000,000 pesos a year. It was expected when the present government was set up that the provinces and municipalities would attend to the repair and construction of highways and bridges, except for comprehensive new highway schemes that should be undertaken by the central government. Under military government, \$1,000,000 gold was expended for this purpose in the provinces. The provincial revenues not having met sufficiently well this call upon them, the Congressional relief fund of 1903, amounting to \$3,000,000 gold, has been largely expended in the construction of highways and bridges under direct control of the insular government or through allotments or loans to provinces. In all, during the fiscal years 1904 and 1905, \$1,609,071.48 was spent by the insular government and the provinces in the construction and repair of roads, bridges and culverts. From insular appropriations 354 miles of road were constructed. Of new bridges and culverts, 1,211 were built, while 928 were repaired. Moreover, 2,615 miles of road were repaired under direction of provincial supervisors. Much of this work was done hurriedly; some of it has very likely been done in a way that will not stand tropical rains. Not all the officers in charge of roadwork in the Philippines have learned how to go about it. But much of this work is permanent, and all of it is of great temporary value. It might be recommended to the critics who have averred that nothing is being done in this direction that they go over and really make a tour about the archipelago.

Even more important to the Philippines, given their situation and their composition as an archipelago, is water

transportation, both cheap and sufficient. Owing primarily to the dispersal during 1900 and 1901 of a large army of occupation throughout the archipelago, facilities for transportation by water are better than they ever were before. This gain is in large part offset by the higher rates of transportation that are charged. In part this increase was natural in "war times," in part it has some foundation in the uncertainty of legislation regarding inter-island shipping and the shipping laws of the Philippines generally.

The United States and insular governments cooperate in furnishing the funds for the coast and geodetic surveys now being made in a thorough and scientific way of the extensive coast line of the archipelago, a coast line much greater than that of the United States mainland. The importance to inter-island shipping of this charting of coasts and harbors, and of the betterment of the lighthouse service, as well as of the continuance and extension of the Manila weather bureau's storm warnings, need not be dwelt upon. Already much has been done of a most practical sort.

The improvements of the harbor at Manila, now nearing completion (completed, indeed, so far as the sheltered deep sea anchorage is concerned), and of the harbor improvements at Cebu and Iloilo, are important primarily for the discussion to follow of Philippine foreign trade. A work which had dragged on desultorily under Spain since 1889, and which was projected much earlier yet, has been completed since 1901, so that ships drawing 30 to 31 feet can now ride in safety behind the great Manila breakwaters. About \$4,000,000 gold was spent in this work. In front of the walled city 160 acres of made ground are now ready for the building up of a new port, relieving the congestion on the other side of the Pasig River. Bids have been advertised for the construction of three large steel piers, with 29 feet of water alongside, at a cost of over \$600,000, two for the Philippine Government and one for the United States Army, the former to be 650x110 and 600x70 feet, respectively, and the army pier 500x60 feet. The initial expenditures at Cebu, in building wharfage out into the deep water, and at Iloilo, in providing breakwaters and dredging the river, will be about \$900,000 gold, and several times this expenditure will be called for gradually in further betterments of these ports of the central Philippines. The work is already fairly begun.

Closely connected with the betterment of Manila's harbor is the improvement of the municipality itself. Already some very notable progress has been made, and comprehensive plans are being followed looking toward a future great Oriental capital. Whether considered from a social or an economic side, the great progress made in sanitation ranks first in importance. The cholera epidemic of 1902 claimed but about 5,000 victims in Manila, while in 1882 it had claimed 20,000 or more. Bubonic plague has been held in check and finally run out. Smallpox is practically no longer a factor in the capital. More good houses for the poorer classes have been built in the past three years than perhaps in all the history of Manila before. With the great improvement of streets the city has taken on already quite a smart and modern appearance. Under recent authority of Congress bids are now called for to construct a 42-mile sewer system and an enlargement of the present deficient water system, which will cost about \$1,000,000 gold. The narrow old gates of the walled city have been widened for traffic, and the part of the wall along the river knocked down to make way for a thoroughfare of commerce, already in use and to be of much greater value when the new port works are further completed. The festering old moat has been filled up and new ground gained for parks as a part of the extensive plans for beautifying the city as the years go by. Adequate fire service is being provided. Besides the hundreds of miles of good macadam, several commercial thoroughfares of great importance have been paved with wooden blocks. Most notable of all, a \$5,000,000 system of electric street railways has been installed and set in opera-

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tion during the past year, and the opening of new streets and building up of waste areas already testifies to the beneficial influence of an adequate system of cheap transportation. Old Manila is indeed almost becoming already a new and greater Manila.

Perhaps the government will yet have to demonstrate that Filipino labor can be successfully and economically employed in agriculture in the provinces if some private attempts on a large scale are not made at an early date. The problem here has some different features from that of the labor problem in connection with large public works, but the men who have had most to do with the actual handling of Filipino labor on these undertakings would not hesitate to make the experiment in the provinces in agricultural ventures. More and more it seems to devolve upon the government in the islands to show the way in schemes that would be condemned for their paternalism at home. The government's experimental farms have as yet attacked the matter only in a comparatively small way, but the results of their introduction of new machinery and methods, where these have been employed after necessary study of the conditions, are already appearing in the readiness shown by Filipino cultivators in certain districts to copy after them. About 800 acres are now planted to rice on the government farm in Tarlak, Luzon, being plowed by Filipinos with American plows and mules or oxen at a rate from six to ten times as rapid as was possible in the old way with *carabaos* and native instruments. With an American steam thrasher, 35,000 bushels of rice were threshed last year for neighboring farmers, over an area of 125 square miles. This machine got so much more rice from the stalks than the Filipinos had been accustomed to obtain by tramping it out weeks after its being harvested that they were at first sure that rice had been hidden inside the separator and was allowed to flow from its spout, thus augmenting the real output. A period of three months is ordinarily consumed in threshing rice by native methods, and 25 per cent. of the crop is often lost. Native methods of hulling and cleaning are very crude and valuable by-products are always lost, while rice threshed by steam power is ready to go to the cleaning mill at once and 20 per cent. of the rough rice is saved in bran and polish, which makes excellent cattle food. The rice crop being thus quickly disposed of, the farmer and his laborers have time to put in other crops. As a result of the demonstrations made, several steam threshing outfits have already been purchased by Filipinos.

The collection of scientific bureaus under Secretary Dean C. Worcester's Department of the Interior has been alluded to in the preceding article. It would seem probable that improvement in Philippine agriculture and the pioneer work in new and improved Philippine industries must be

looked for in this direction rather than from individual enterprise. It is shortsighted economy which makes sport of the fine new building of the Bureau of Government Laboratories, while yet it may be asked that this department should endeavor primarily to direct its scientific work toward practical ends. Some hints of such experiments now going on in this bureau were given in the first article in this series. In the same way it seems to devolve upon the government at present to devise some method of providing agricultural loans through a land bank, an enterprise which need not necessarily be run by the government itself, but which will apparently have to be put on its feet by government assistance in some way. The system of advances on crops, in one form or another, is of long standing in the Philippines, as elsewhere in the Orient. Usury is no new thing there at all, as recent strictures on the present economic situation would imply.

Again, the government retains title in fee simple to the forests of the archipelago, except for that relatively small portion of timber now standing on private land. We have already alluded to the failure of American lumber companies to study with sufficient care the conditions they must meet in the Philippines, and to their common failure to secure sufficient capital with which to make their undertakings. Having really themselves to blame for their failures, there is yet apparent among them a disposition to accuse the policy of the government. We Americans have in past decades gone rapidly across a rich continent, stripping it ruthlessly of its timbered wealth with scant regard for the future, and are just now beginning to take thought of the morrow with our provision of forest reserves and our new forestry policy. The notion that we should throw open the Philippine forests to unrestricted exploitation is born of our prodigal waste in this direction in the past. The present forestry policy in the Philippines is conceived on the right lines, and has the benefit of experience in other tropical countries to guide its administration.

Just as the criticisms of the present government in the Philippines are inspired in large part by the apparent notion of their authors that everything should be accomplished all at once, so the government itself has to exercise caution against going too fast. Its resources are relatively very small as yet, and it must cut its cloth accordingly. So many important fields for its activity lie open that it cannot afford to waste either money or energy in elaborate organization or the accumulation of paper work, where simple methods will avail. Its weak point is an undue accumulation of American clerical employes, with the resultant of too much office "system." Lots of good typewriting goes to waste over there now that should be cut off in the interest of economy.

Cuba Prosperous and Hopeful.

[By W. A. Merchant, of Havana.]

The elections passed off very quietly throughout the Republic, resulting in the re-election of President Tomas Estrada Palma without opposition, the Liberal candidate having some time since withdrawn from the contest, and his party taking practically no part in the election of governors and congressmen. President Palma needs no introduction to the American people, nor to those of the principal nations of Europe, to whom his merits are too well known to need comment. The newly elected Vice-president, Dr. Domingo Mendez Capote, is a lawyer of attainments and has for years occupied a prominent place in the land of his birth. He is the recognized leader of the Moderate party, took a prominent part in the last revolution, and upon the organization of the Cuban Senate was elected President of

that body, an office distinct from that of the Vice presidency of the Republic. He is regarded a very sagacious politician and in political circles he is looked upon as the successor of President Palma, upon the expiration of the term to which the latter has just been re-elected.

Alarming rumors of a general uprising in the island, which had been current for weeks prior to the recent elections, were not verified. It is true that two small parties "took to the woods" in the provinces of Havana and Pinar del Rio, but their numbers were too insignificant to create serious alarm. They found no adherents or friends among the rural element, and in a very short time delivered themselves up to the authorities, who mercifully released them under light bond. Not a drop of blood was shed in this

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heralded "revolution," and it is improbable that there will be a recurrence of even such an insignificant uprising as was this. Revolutions in Cuba in the past have been due directly to economic rather than political causes and it was not to be reasonably expected that in such prosperous times as these, a movement like the one referred to could succeed, even leaving the Platt Amendment out of consideration. On every hand throughout the island evidences of prosperity are seen, and the people at large ask only to be let alone to pursue their customary avocations. The countryman who owns an ox and plow is an enemy of all disturbers of the peace, and without his co-operation and sympathy no outbreak of a revolutionary nature can succeed.

A review of what has been accomplished by the government since the date of its organization in May, 1902, will not be inopportune at this time. The American Military Government in Cuba devoted its energies principally to the establishment and maintenance of very efficient sanitary and educational systems, which, upon assuming control of the island, they found very deficient and on which they expended a large amount of money. The Cuban Government has, with few exceptions, maintained the standard of excellence established by the Americans, in the first named department, and have extended and improved the educational system. The death rate in Cuba during the past year has been 16.57 per thousand inhabitants, which will compare favorably with countries of the Temperate Zone.

On May 1, 1905, there were 603 kilometers of macadamized roads in service, of which 256 kilometers were built by the Colonial Government, 98 by the Military Government and 249 by the Republic. From May 20, 1902, the date of the establishment of the Cuban Government, to July 1, last year, 52 bridges had been built or reconstructed, and of this number 41 are of steel or masonry, which makes a very favorable showing as compared with the same class of work performed during the three and a half years of American occupation. A considerable amount of money has been expended by the national government on water works for various cities and towns, for building lighthouses and improvement of harbors, as well as on the erection and repairs of public buildings.

During the American military occupation public order was maintained principally by the American soldiers, paid by the United States Government, and there was but a small force of Cuban rural guards. The withdrawal of the American troops necessitated a large increase of these guards and the force now numbers 3,000 men, whose principal duty is to patrol the country districts and maintain order. Brigandage was reduced to a minimum by the Americans and has since been completely eliminated.

Aside from the ordinary expenses of government, over \$25,000,000 have been expended in payment of the first half of the amount due the Revolutionary Army. The payment of the second half due said army began the early part of December, something over one-half being effected in cash and the balance in 5 per cent. bonds, which the government proposes to liquidate within eight years. The total amount due the army on December 1 payable in cash was something over \$20,000,000. On November 30 there was a net available balance in the treasury of \$6,577,245.69, the total balance on that date being \$29,464,693.92. When the government was turned over to the Cubans there was a net treasury balance of about half a million dollars. A comparison of these figures shows the wonderful increase of the wealth of the country, and also indicates that the affairs of state have been administered with honesty and relative economy. Treasury receipts for the five months ending November 30, aggregated \$13,819,650.61, being largely in excess of those of the same period of 1904.

The treasury of a country is the barometer by which economic conditions are best determined, and much depends upon an efficient administration of that important

department of the government. The present Secretary of the Treasury, General J. Rius Rivera, is peculiarly fitted for this important post, due not only to his admitted force and executive ability, but also his experience acquired while collector of customs of the port of Havana. Many important reforms have been inaugurated during his incumbency.

The administration of President Palma has been one of peace and latterly of great prosperity and the public look forward with confidence to a continuance of these conditions during his second term of office. The result of the elections of December 1st gives the government a majority in the House of 33 and 8 in the Senate, consequently the Moderates will be able to constitute a quorum without the attendance of the Liberals and it is expected that beneficial and urgently needed laws will be enacted by the new congress, which will meet in April next.

The reappearance of yellow fever is an unsolved mystery to the sanitary authorities and a matter of grave concern to the government, which is making every possible effort, regardless of expense, to stamp out the dread disease. It has not yet assumed the proportions of an epidemic and the health authorities express confidence in their ability to eradicate it within a month. The spread of the disease is attributed by the chief sanitary officer of the Republic to an incorrect diagnosis of two cases which occurred in October and no rectification was made in the first case by the attending physician for more than two weeks after the attack, during which time there was ample opportunity for the infection of mosquitos, which spread the disease. To date there has been a total of 57 cases and at this writing there are 16 cases under treatment. Dr. Finlay, the eminent yellow fever expert and the originator of the theory of the propagation of the disease through the agency of mosquitos, claims that the origin of the first case was due to the bite of an infected mosquito, which was imported, but he is unable to state where from. In the sanitary department of the city of Havana there are at present over 600 employees actively at work and disinfection is being conducted on a very extensive scale.

For some time past engineers of the Department of Public Works have been actively employed on modifications and improvements of the plans drawn by the American Military Government for paving and sewerage of the city, and government officials state that this important work will be inaugurated next year. The contract for the work was let to an American firm 3 or 4 years ago, but provision has not yet been made for paying for the work.

During the five months ending November 30, 22,642 immigrants landed in Havana, and fear of a serious scarcity of labor has consequently vanished. Of the total number arriving 20,463 were Spaniards and a very large number of them have been employed and sent to various sugar plantations of the interior.

A number of projects for railroad building have recently been presented, the most important of which is the extension of the Cuba R. R. from Santa Clara to Guines and the building by the same company of branches to Cienfuegos and the important tobacco district of Manicaragua, involving the construction of a total of 334 kilometers.

The pending treaty with Great Britain, about which so much has been written in the Cuban and American press, is claimed by Government officials to be simply a treaty of friendship between the two countries and in no way prejudicial to American interests. This treaty was drafted in London and the original was radically changed before being submitted to the Cuban Senate. In its present form it is understood to be now acceptable to the American State Department.

The incessant heavy rains during the first ten days of December did great damage to the growing tobacco crop. Some replanting will doubtless be done, but the shrinkage in the next crop is conservatively estimated at 25 per cent.

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while some claim it will be as great as 50 per cent. Very little tobacco of the last crop remains unsold and prices realized have been very satisfactory to the planters.

The sugar crop of the past season amounted to 1,163,258 tons. Of this amount 1,044,430 tons had been exported up to November 30, all of which, excepting something over 100 tons, was shipped to the United States. Local consumption for the year amounted to 45,000 tons and there were on hand at ports on November 30, 73,668 tons. The acreage of the growing crop is larger than last year and with a favorable season a crop of not less than 1,350,000 tons would probably have been harvested, but great injury resulted from the severe drought of October and November and at the end of the latter month it was estimated that the crop would be little, if any, larger

than the last one. However, the excessive rains in the early part of December, which did such damage to the tobacco crop, were of great benefit to sugar cane and, although complete reports from all sections of the island have not been received at this writing, a crop of about 1,250,000 tons can reasonably be expected. The present price of sugar, with little hope of any great rise, will leave the planter but a small margin as compared with the abnormally large profits of the past season.

The general business situation of the island is very prosperous and there is an abundance of work for all who seek it. Imports have been exceedingly large for several months past and an active business is expected during the winter and spring months.

Milan to be the World's Host in 1906.

The most important exposition to be held in any part of the world this year, and the largest ever held in Europe outside of Paris, will be the International Exposition of Milan, which will throw open its gates on the 15th of April and continue to the close of November. Held primarily to commemorate the completion of the Simplon tunnel the authorities in charge of the undertaking have decided to make land transportation its keynote, and in this field it is likely to far surpass any exposition previously held, although St. Louis set the standard in this direction extremely high. In connection with this exhibit there will be an elaborate exhibit showing the methods and the actual machines employed in constructing the Simplon tunnel. The general classification of exhibits, as far as can be determined from the various official announcements that have thus far been received by this paper, will differ radically from that at St. Louis and most recent world's fairs. Instead of aiming to cover the entire range of human activities with impartial thoroughness, an effort, which at St. Louis led to a series of enormous palaces devoted to agriculture, machinery, mines and minerals, electricity, manufactures, liberal arts and so on, each of them containing sufficient exhibits to require days to inspect them all—instead of this, the Milan authorities seem disposed to narrow somewhat the range of the exhibits in order to secure a more definite point of view. The result will be an exposition entirely unique in many of its most important features, which no doubt is precisely the reason for the departure from traditional models.

As already stated, land transportation is to be the most important feature of the exposition. Naturally, however, this has suggested the broader theme of transportation as a whole, with the result that three other exhibits have been planned along this line—aeronautics, or transportation in the air, in which department prizes aggregating 150,000 lire are offered; maritime and river transportation; and, lastly, a historical transportation exhibit. The four groups combined should make this easily the most remarkable transportation exposition the world has ever seen. It is sincerely to be hoped that the magnificent exhibits of several of the leading American railways that were shown at St. Louis can be reproduced at Milan, notably those of the Baltimore & Ohio Railroad Company, of the Pennsylvania, of the New York Central, and of the Cleveland, Cincinnati, Chicago & St. Louis. If necessary, Congress should be asked to defray the expense of chartering a steamship to transport these exhibits to Milan, both as an act of courtesy and good will to Italy in providing a notable contribution to the success of the exposition, and in simple justice to our own achievements in this field. As a part of the transportation exhibits should be mentioned a special pavilion covering 10,000 square meters devoted to automobiles and bicycles.

A partial list of the other more important departments of the exposition will still further emphasize the radical manner

in which its officials have ignored tradition and precedents. Decorative arts are to be recognized by a special pavilion, and it is expected that the remarkable success which attended the recent exhibition in this field at Turin will be surpassed at Milan. As this display, like all the others, is to be international, visitors will no doubt have an opportunity to study the wonderful progress made in this department in recent years in Austria and Germany. Another of the principal exposition buildings is to be a Hall of Labor for displays of industrial art. This department received some attention at Liège, but past achievements have in no case been especially noteworthy, and it is likely that here again Milan will surpass anything previously attempted. Another large building is to bear the peculiar title "*La Previdenza*," which in French can best be translated by *Prevoyance*, and in English by *Foresight*. In a general way the department of human progress here exhibited corresponds to what in the United States is called "welfare work," or social and industrial betterment. Among other matters to be here illustrated are mutual assistance and insurance, co-operation, savings institutions and popular credit, protection of labor and insurance against enforced idleness.

Agriculture is the only one of the great departments of human industry to receive separate recognition at Milan. In this case, however, owing no doubt in part to the fact that Milan itself is situated in the center of an agricultural region, the recognition is complete, and displays are to be made of farm implements, agricultural products and live stock. Hygiene is to be honored with a special pavilion, and other special exhibits are to be devoted to foods and beverages, which will open about June 15 and will no doubt be very complete, chemicals and drugs, perfumery, hunting, photography, musical instruments, etc. There will also be, most properly, an elaborate special exhibit of the silk industry, to which Italy owes so much, and the industrial establishments of Venice are to be grouped in a special pavilion devoted to Venetian industries. The City of Milan will also have a separate pavilion. There will of course be an exhibit of fine arts, principally if not entirely Italian.

Foreign nations will be well represented at Milan—France, Switzerland, Austria and Belgium having arranged to erect separate pavilions. There will be a separate pavilion for South America, in which the Argentine Republic, Brazil, Peru and perhaps other republics will be represented. The Italian colonies will also have a separate pavilion. Other foreign governments that have signified their intention to participate in the exposition are Great Britain, the United States, Germany, Hungary, Mexico, Japan and Morocco. Foreign countries that will participate, though not always officially, include the following: Holland, Spain, Norway, Russia, Greece, Montenegro, Portugal, Sweden, Roumania, Turkey, China, Persia, Santo Domingo and India.

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which 245,300 will be roofed over. There will be in all 120 separate palaces and pavilions, of which the largest will be the Hall of Labor (30,000 sq. m.), the Palace of Land Transportation (25,000 sq. m.), Decorative Arts (24,000 sq. m.), Agriculture (21,000 sq. m.), and Marine Transportation (12,000 sq. m.). There will be a large wireless telegraph station and numerous out-door exhibits, including African villages, oriental quarters, historic streets and the like. There will also be some 100 congresses, national and international, and numerous games and sports, in connection with some of which large prizes are offered. It is announced also that there will be an extraordinary season of dramatic performances at the famous Scala Theatre.

The event which is to be celebrated with all this elaborateness and splendor occurred rather quietly on the 24th of February, 1905, when the workmen engaged on the Simplon tunnel from both the Italian and the Swiss ends finally broke through the thin diaphragm of rock that separated the two headings. The great undertaking was begun November 21, 1898, at which time it was estimated that it would take five years to complete it. Unexpected difficulties greatly protracted the length of time necessary, and also the expense. The time actually required was a little more than six years and three months. The contract price for the work originally agreed upon was 69,500,000 francs, or about \$13,000,000, but the contractors found it impossible to keep within these figures owing to the enormous difficulties encountered. At one time it seemed likely that they would be entirely ruined, as they were bound by contract not only to complete the work for the figure mentioned, but also to pay a fine of 5,000 francs for every day of delay after May 21, 1904, or five and a half years from the date of commencing work. In view of the fact that they had worked, not only with entire good faith, but with almost superhuman perseverance to overcome obstacles that at times seemed utterly insurmountable the Swiss Federation agreed to reimburse them for the increased expense on national grounds.

The principal difficulty encountered was the frequent influx of hot water as the borings struck subterranean springs and water courses. To a certain extent the engineers and contractors anticipated trouble from this source and elaborate arrangements were made to provide against it, but in one or two instances the irruptions of hot water were so violent as to upset all calculations and endanger the entire success of the undertaking. One of the most formidable of the numerous springs met with was encountered September 6, 1904, or only a month and a half before the date when it was expected that the main tunnel would be complete. This poured a torrent of water heated to 114.8 degrees Fahrenheit (46 deg. C.) into the shaft at the rate of 20 gallons per second, and all operations had to be suspended until this water could be disposed of. Eventually the flood was conquered and drained off through a special boring between the two tunnels. This experience was only one of many, and in fact at the time when the borings from the opposite sides met both headings on the Swiss side were full of hot water for considerable distances.

Another feature of the work in the tunnel that occasioned great expense was the constant high temperature which rose, in consequence of the hot springs, to as high as 104 and even to 113 degrees Fahrenheit. This necessitated the use of powerful sprays of cold water for the purpose of cooling the side walls and the air in the tunnels. Even with these, the conditions were such that the miners were quickly exhausted and shifts had to be relieved frequently. For emergency work in dealing with the irruption of hot springs only the strongest men could be employed and even these were frequently taxed beyond their endurance.

Hydraulic rotary drills were employed throughout for piercing the rock which was almost constantly encountered, the contractors having invented special machinery of this type as a result of previous experience in rock tunnel work.

No little trouble was experienced from bursting or injured pipes, owing to the quantities of water under high pressure that had to be supplied at the headings both for the drills and the sprays. In order to facilitate the disposal of all the water encountered and that forced into the tunnels for these purposes each tunnel inclined slightly, the highest point being the meeting place in the center of the mountain, and the lowest at the entrances. The gradients for this purpose were 2 per 1,000 from the Swiss portal and 7 per 1,000 from the Italian.

The total length of the tunnel is 19.729 kilometers, or 12½ miles, making it the longest tunnel yet built. The Mont Cenis tunnel, constructed in 1857-1870, is 7½ miles long; the St. Gothard, 1873-1880, 9½ miles; the Arlberg, 1880-1883, 6½ miles. The Hoosac tunnel, in Massachusetts, constructed in 1854-1870 and the longest in the United States, is 4½ miles in length. The Simplon tunnel consists of two parallel shafts, 55.7 feet apart and each 16½ feet wide. It starts on the Swiss side at the village of Brieg, on the River Rhone, at an altitude of 2,250 feet; rises gradually to an altitude of 2,310 feet at its summit, and then declines somewhat more rapidly to an elevation of 2,076 feet at Iselle, on the river Diveria, the Italian portal. Several years' time and millions of dollars could have been saved by piercing the mountains at a higher altitude, but the present engineering practice is to place such tunnels at as low a level as possible to avoid heavy grades, sharp curves and other drawbacks incident to railway construction in high altitudes. In fact, one of the chief advantages of the Simplon route is that it is practically level and therefore an express route adapted to fast trains and heavy traffic as compared with the expensive operations over the heavy inclines of the other Alpine routes. Except for short curves at each end to connect with the railway lines outside, the tunnel is perfectly straight.

The contractors to whose perseverance the world owes the successful completion of this great undertaking were Messrs. Brandt, Brandau & Co., of Hamburg and Winterthur, Germany. Herr Brandt, the inventor of the rock drills which were such an important factor in the work, is no longer alive and the active principals at the time of the completion of the tunnel were Messrs. N. Brandau, of Hamburg, Löcher, of Zurich, and Sulzer, of Winterthur, the first directing the works at Iselle, the second those at Brieg, and the last attending to the construction of the requisite machinery.

It is an interesting circumstance that the great military road built by Napoleon across the Simplon Pass, begun in 1801, was completed in 1806, or exactly a century ago. This road reached an extreme altitude of 6,500 feet and was only superseded by the final completion of the railway tunnel a hundred years later.

The interest of the city of Milan in the successful completion of the Simplon tunnel is due to the fact that the new route will bring that great industrial center into closer touch with northern Europe. The distance from Calais to Milan by the Simplon route is 80 miles shorter than via the St. Gothard route, and 95 miles shorter than via Mont Cenis. As stated it is an express route, owing to its low level, and brings all of northern France, including Havre and Paris, into more direct communication with Milan. It also connects the great Swiss railway center of Basel, where routes from all over northern Europe converge, with the Adriatic railways, and especially with Turin and Milan, making the latter city still more decisively the principal railway center of Italy.

The historian, and more especially the student of commercial and industrial history, is often puzzled to account for the situation of great cities, many of the world's greatest cities being located at points where the natural surroundings would seem to repel rather than invite the concentration of humanity. Milan affords an interesting example of a city that has remained prominent for centuries, and indeed almost from time immemorial, while lacking nearly every

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CORRESPONDENCE AND PERSONAL INTERVIEWS INVITED

physical element that normally favors the development of a great metropolis. Situated fully a hundred miles from the sea, with which it is connected with a railway so difficult as to warrant active plans for a tunnel longer than that under the Simplon as a means for avoiding its more serious grades and curves, it owes nothing to the spirit of maritime adventure which made Venice first Queen of the Adriatic and then for centuries the mistress of mediaeval commerce. No navigable river, moreover, drew commerce and industry in the direction of Milan and such artificial waterways as now exist were constructed by the enterprise of its citizens long after its greatness was established, and must therefore be regarded as effects of that greatness rather than its cause. Nor can the proximity of great water powers be cited as accounting for the rapid development at Milan of one of the greatest industrial centers of the Middle Ages. On the contrary the city is situated in the center of a broad plain, dotted here and there with tiny hamlets and clusters of farm houses, and the fact that one of these should become in the course of time mighty and renowned in every corner of the globe while the others continue to slumber in peaceful obscurity affords convincing evidence that the citizens of Milan have from the earliest ages possessed the energy and aggressiveness that characterizes them today.

In many respects Milan bears a striking resemblance to Chicago, both in its economic relation to the country of which it is part and in its general industrial and commercial characteristics. Situated in the center of fertile plains it became the metropolis of the region round about and the seat of a considerable industry in slaughtering and disposing of the oxen and hogs raised there long before the Romans added Mediolanum to their dominions. When Rome was at the zenith of its greatness Milan was said to have rivalled it in splendor, the city at that time being over two miles in circumference and containing many public and private edifices of great magnificence. During the fierce wars that followed the fall of Rome Milan was sacked repeatedly but rose from its ruins each time and even increased in size. The worst of all the barbarian invasions came in 568, when the Longobardi burst over northern Italy and finally settled in the plains around Milan, giving their name to that region which has since been known as Lombardy. In 961 Otto the Great of Germany was crowned King of Italy at Milan, but his descendant Frederick Barbarossa in 1162 besieged and utterly destroyed the city, leaving only the bare walls of its churches standing. In spite of this unparalleled disaster the Lombard League shortly afterward defied the Emperor, rebuilt Milan and finally, in 1168, drove Barbarossa out of Italy. Six years later he returned, but was completely defeated in the great battle of Legnano which was fought 15 miles from Milan. The next five centuries were memorable chiefly for the rivalries of the famous Dukes of Milan, first the Torriani, followed by the Visconti, and finally by the Sforzas. Although these picturesque old soldiers were not always over scrupulous in their methods and were perhaps as famous for their cruelty as for their courage they strove in the main to advance the greatness and splendor of Milan, and many of the city's most interesting and cherished monuments date from this epoch in its history. With the death of the last Sforza the Duchy was seized by Charles V. of Spain and remained under Spanish domination till 1706, when it passed under that of Austria. From this it was temporarily freed by Napoleon I., who established a short-lived republic after the battle at the Bridge of Lodi in 1796, with Milan as its capital. This was overthrown by the Austrians during Napoleon's absence in Egypt in 1799, and re-established by Napoleon after the Battle of Marengo the following year. The republic ceased three years later when Napoleon became Emperor and shortly after King of Italy. After Waterloo the Austrian domination was resumed and continued until 1859, with the sole interruption of the *Cinque Giornate* (5 days) of March, 1848, when the Austrians were driven from Milan. They were finally driven

out from the city and province with the aid of Napoleon III, and on the 8th of June, 1859, Victor Emanuel made his solemn entry into the city as the head of a united and free Kingdom of Italy.

Unfortunately the glamor of wars and the doings of princes have long blinded historians to the less spectacular, but vastly more important march of progress in the humble fields of industry and commerce. We know that in 1170, shortly after the rebuilding of the city by the Lombard League, the first canal was constructed, the Ticinello, bringing to the city the waters of the River Ticeno and furnishing a new highway for commerce. Under the first of the Sforzas, Duke Francesco, who ruled from 1450 to 1466, the Martesana Canal was built. Owing to the frequency with which the city was destroyed during its stormy history, its steady growth is a matter for wonder, but grow it did, until in 1546 when it extended over an irregular area about seven miles in circumference. It now extends far beyond these limits, and during the last half century has increased from 130,000 to more than half a million inhabitants. Its industries have increased steadily in number and importance, but still retain the character of those which gave the city its renown centuries ago. The principal one is the manufacture of silk, which numbers more than 200 establishments and gives employment to many thousands of artisans of both sexes. There are also extensive cotton and woollen mills, carriage and machine shops, manufactories of furniture, and many other important industries. The city is also a great center for agricultural products especially for export, including cheese, butter, eggs and poultry.

Few cities in Europe contain so many famous buildings as Milan, or are graced with more numerous or more beautiful monuments. To the tourist Milan has always been one of the favorite spots of interest, and its attractiveness in this respect cannot fail to prove of great value to the exposition. The heart of the city is the famous Piazza del Duomo, from which radiate avenues toward all of the principal gates. Here stands the magnificent Duomo or Cathedral of Milan, without doubt one of the most beautiful in the world, while at the same time differing radically from all others in several important respects. Begun more than five centuries ago, it is still in course of construction, in this respect, however, resembling rather than differing from the others. On one side of the Piazza del Duomo, or Cathedral Square, is the Galleria Vittorio Emanuele, designed by the famous architect Mangoni who lost his life in the opening day. This beautiful arcade was built by an English company, which lost a great deal of money in the enterprise. It now belongs to the municipality. In the center of the Piazza del Duomo stands a colossal statue to Victor Emanuel. The Royal Palace, so called, also faces this magnificent square. This was the ancient residence of the Dukes of Milan, and dates from about the year 1300, but was rebuilt in 1775. On its fine tower was placed the first striking clock in Italy. In this Palace is the famous Hall of the Cariatides.

Separated from the Duomo Square by the brief distance occupied by the Victor Emanuel Arcade is the Piazza della Scala, on which stands the famous Teatro alla Scala and the Marino Palace, now the seat of the municipal government, while an imposing statue to Leonardo da Vinci adorns the center. Leading out from one corner of the Piazza del Duomo is the Piazza dei Mercanti, which dates from 1228, and contains the finest specimens of mediaeval architecture to be seen at Milan. In the middle of this square stands the Palazzo della Ragione, built in 1233, where formerly met the Council of the Nine Hundred in the upper portion, while in the lower part was held the Merchants' Exchange, the latter still continuing. On this building was placed the first lightning conductor after the discovery by Benjamin Franklin. The bell tower, which was erected in 1272, was used for centuries to give public notice of executions and of deaths in the ducal family. The Loggia degli Osii on the south side of the square was built in 1316, and is now used

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as the Chamber of Commerce. From the pulpit of this building sentences of death were formerly proclaimed.

Leading out from this square to the northeast is the new Via Dante, one of the most modern streets in Milan and characteristic of the spirit of progress which now pervades the city. The buildings on this street are all of the latest design and most modern construction. Here is situated the Milan office of R. G. DUN & Co., the publishers of this paper. At the end of the Via Dante stands the grim old castle of the Dukes of Milan, built originally by the Viscontis in 1358, rebuilt by Francesco Sforza in 1450, and lately restored by the municipality. The Torre del Filarete, named for the architect, which stands squarely at the foot of the Via Dante, has lately been restored. Directly beyond this castle is an extensive park set apart as the site of the exposition, which will therefore differ from all previous World's Fairs in being located almost at the center of the city instead of far on its outskirts. Across this park stands the Arch of Peace, which was first begun in 1807 to commemorate the victories of Napoleon I., but was not finished until 1815, in time to record his downfall. The inscriptions were subsequently erased, and now record the winning of Italian independence in 1859.

It is impossible to note even by name all of the wonderful palaces and historic buildings of Milan, but a word must be given to the Ospedale Maggiore. This beautiful struc-

ture was begun by Francesco Sforza in 1457, and was dedicated "for the relief of suffering humanity without distinction of nationality or religion," a remarkably liberal declaration for the Middle Ages. Some of the finest architects of Italy have left records of their genius on this building, including Filarete, Mangoni, Richini and Bramante. The entire left wing was built from a legacy bequeathed by a miser, while public and private charities have swelled the funds available until the hospital now accommodates between 2,500 and 3,000 patients and is one of the largest as well as the most beautiful in Europe. Of the churches in Milan it is also impossible to speak in detail, there are so many, and the art treasures contained in many of them are so fine. One of the most interesting, next to the Cathedral, is the Church of Santa Maria delle Grazie, in the refectory of which is placed the great painting of the Last Supper by Leonardo da Vinci. This immortal work was composed for the very spot it occupies, even the perspective of the church itself forming in a sense a part of the picture. The monks, however, appear to have been more interested in their own suppers, for a portion of the picture has been cut away for a little door to shorten the passage from the kitchen to the table. No visitor to Milan will fail to pay at least one brief visit to the Certosa of Pavia, distant some 18 or 20 miles, the headquarters, until the suppression of the order in Italy, of the Carthusian monks.

The Growing Importance of Dieppe.

Dieppe is an exceedingly agreeable and picturesque city. Situated in a beautiful and fertile valley, surrounded by chalk cliffs, with its conspicuous old chateau built in 1435 it presents a study fit for any painter. It is distant 125 miles from Paris, or three and a-half hours by express, and 35 miles from Rouen. It is as near half-way between London and Paris as any city can be without being in the English channel, and for this reason is a much frequented place for travelers between the two capitals.

As a summer resort it is yearly growing in renown, and every summer the visitors number more than the preceding one. Its splendid casino; its far-reaching stone beach, flanked on each side by towering lighthouses; its magnificent hotels and splendid country drives lend much to the attractiveness of its mild and excellent sea bathing. While Dieppe is certainly a great pleasure resort during the warm months, it is none the less a commercial and industrial center all the year round. Its principal industries consist in the manufacture of clocks and chronometers, chemical products, briquettes, oil, etc., work of ivory—little masterpieces of taste, art, and patience—cotton spinning and weaving; saw mills; pottery and paper making; fisheries and the building of fishing boats; the manufacture of Spanish white from the chalk taken from the cliffs; the manufacture of tobacco in which over 1,500 workmen are employed; and the shipping of blue flint pebbles from the beach to England, Holland, and America where they are manufactured into china.

The prosperity of Dieppe is due in a great measure to its being the nearest port to Paris and the terminal for the much frequented Dieppe-Newhaven boat service to England, the average number of voyagers crossing annually being about 175,000, with some 80,000 tons of freight, in which the Anglo-Italian traffic predominates.

There is a tax of 19.3 cents on every passenger debarking at Dieppe. This tax and that of 5.79 cents on each ton of shipping goes to the Dieppe Chamber of Commerce as reimbursement for work done on the port.

The imports and exports at Dieppe are varied. The amount of oil from the United States which four years ago was over 20,000 net tons amounted in 1904 to only 7,601. This decrease is occasioned by tariff legislation, which is

yearly more and more adverse to the American product. Sweden, Russia, Norway, and the United States are the greatest exporters of lumber to Dieppe, ranking in the order named. Last year Sweden sent 30,560 tons, Russia 7,101, Norway 2,694, and the United States 1,592 tons.

The import of English coal is also considerable, averaging some 250,000 tons annually. Between ten and fifteen thousand tons are also imported from Germany. In Dieppe there are large briquette manufactories, which have been visited by many Americans.

Perhaps the following will give a more accurate idea as to the kinds and amount of imports and exports at Dieppe. The figures are taken from the latest official statistics, all items of less than 1,000 tons being omitted.

Articles.	Tons.	
	Imports.	Exports
Animal skins.....	6,542	9,297
Farinaceous Food.....	661	16,578
Fruit and seed.....	18,421	9,958
Colonial products.....	4,740	3,325
Ordinary wood.....	41,950	85
Divers waste.....	1,247	10,367
Beverages.....	429	1,897
Mineral combustibles.....	264,283	58,732
Metals.....	318	1,918
Chemical products.....	5,270	324
Divers compositions.....	150	1,063
Pottery, glass and crystal.....	83	3,288
Thread.....	2,359	1,598
Tissues.....	2,236	3,543
Jewelry, clocks, etc.....	1,504	1,850
Miscellaneous articles.....	895	2,808
Transit-International.....	20,954	23,007

The annual amount of gross tonnage entering and clearing ranges between 800,000 and 900,000 tons. The number of vessels entering and clearing is usually between 1,700 and 1,800, over half of which fly the French flag, and a third the English, the remaining sixth being mostly Norwegian, Swedish, and Danish in the order named.

The port of Dieppe is a most magnificent one. The name comes from *deppa*, which means deep, and true to its name, it is said to be the surest and deepest port on the English Channel. Its entry is composed of two jetties, known as the east and the west, being, respectively, 2,060 and 2,247 feet long. Between these is a channel 246 feet wide and 23 feet deep at neap tides, giving access to the outer port, which covers a little over 16 acres and has 2,854 feet of quays. The Pollet channel connects the outer and inner ports. The

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latter contains 10 acres, 919 feet of quays, and 64,580 square feet of vacant space for discharged goods. Behind the inner port there extend four tide basins covering 34 acres, with 9,200 feet of quays and 1,000,000 square feet of surface. The port is provided with a crane of 30 tons, 19 steam cranes, a graving dock 387 feet long, and other appurtenances. The entry is signaled by five lights—three fixed white lights 35 feet from the extremity of the east jetty; a white light and a fixed red rector with fog bell on the wing of the west jetty; and a green light near the extremity of the west jetty.

In 1903 the French Senate adopted a special project concerning the port of Dieppe, the first article of which reads:

The construction of a new entry and of quays for the fisheries at the port of Dieppe are declared of public utility in accordance with the conditions of the previous project drawn up by the engineers of the maritime service Oct. 19-26, 1900. The expense is estimated at 5,820,000 francs. (or \$1,123,260).

The following articles mention the subventions promised: Dieppe Chamber of Commerce, 3,695,000 francs (\$713,135); the Department, 650,000 francs (\$125,450); and the City of Dieppe, by abandoning octroi duties on material for the works, 200,000 francs (\$38,600). Lastly, the Chamber of Commerce is authorized to contract a loan and to reimburse itself by tolls or additional port dues.

The Chamber of Commerce looks upon the finishing of the Simplon tunnel as a great factor in the development of the port, as much of the merchandise going from England to Italy or other points south and to the Orient will thus have virtually a direct route instead of being deflected by Germany, the St. Gothard, and other routes. By this, of course, it is understood that France will cut the Faucille tunnel,

which from the present indications, will be done. It would certainly give France all the advantage in competing with the St. Gothard. The present distance from London to Milan by the Gothard is 905 miles, while by way of Faucille and Simplon it would be only 840 miles. The Faucille line, it will be remembered, is the direct one from Lons-le-Saunier to Geneva. Two other routes to connect France with the Simplon are spoken of, one connecting Frasnes and Vallober, the other a direct line between St. Amour and Bellegarde.

Since the digging of the Suez canal one of the most important outlets of French merchandise is through the Alps, with which, however, the trans-Siberian line will doubtless compete. There is no doubt but that France committed a financial mistake in 1880 in refusing to buy the shares in the Suez Canal, which the Khedive insistingly offered in acknowledgment of the work of De Lesseps. In 1882, when she gave the order to her vessels before Alexandria to weigh anchor, she left Admiral Seymour to suppress the insurrection, and thus abandoned Egypt to the English.

It was at this same time that Germany hastened the work on the St. Gothard, and came into communication with Lombardy, Geneva and Brindisi, by which route traffic from England at once began to go, to the detriment of the former French route. Some of this traffic has been slowly regained, but at the cost of ruinously low transportation rates and other sacrifices. It seems the general opinion among commercial bodies in France that the Faucille route is the only thing to save French commerce. It would certainly give a great impetus to all merchandise going across the continent southward, and Dieppe would profit enormously from the accomplishment of such an undertaking.

The New Port of Antwerp.

After more than twenty years of agitation, both in behalf of and against the project, the plans of the Belgian Government for making Antwerp the largest and best equipped seaport in the world are now actually in course of realization. Both in point of costliness, in the magnitude of the engineering works to be carried out, and in its importance to international trade as a whole, this great undertaking is entitled to rank next after the Panama Canal among the epoch-making enterprises of this generation. While primarily the chief port of Belgium, and prospering with the wonderful prosperity of that mighty little kingdom, Antwerp plays a much larger part in the world's commerce than this. It is one of the principal gateways to continental Europe, and handles annually on its busy quays millions of tons of merchandise destined for ultimate distribution in every part of that continent, or brought from all parts of Europe to be there shipped on steamers to every corner of the commercial world.

Although situated sixty miles from the sea, Antwerp has long enjoyed the position of the premier port of Continental Europe, and, although in tonnage statistics and statistics of imports and exports it is now closely pressed by one or two rivals, experts who understand how such returns should be analyzed still place the great Belgian entrepôt next after London and New York in maritime importance. The prosperity and even the very existence of the port has, however, been for a long time seriously threatened by the gradual silting up of the bed of the River Scheldt, against which the dredging operations constantly going on seem at best only able to maintain existing conditions without improving them. Practically all of the trouble occurs in the comparatively short stretch of river between Antwerp and the Netherlands frontier, in the course of which three curves in the direction of the stream are encountered. The first of these is at the village of Austruweel, the second at the Fort Ste. Marie, and the third at a point on the right bank known as Kruisschans, some five miles below the City of Antwerp.

The channel available for navigation around these three successive curves is extremely tortuous, difficult and dangerous. Owing to the shifting of the sands in the river bed, bars are formed at different points, which shift about with the changing seasons and render navigation still more uncertain. Vessels drawing any considerable amount of water, which include practically all the great trans-oceanic steamers upon which the prosperity of the port depends, have to await high tide for entering or departing, while in seasons when fogs are prevalent many may have to lay over for two or more tides. With the enormous increase in the trade and navigation at Antwerp that set in about ten years ago and has continued without interruption ever since these conditions became steadily more serious and the need of some radical remedy more urgent.

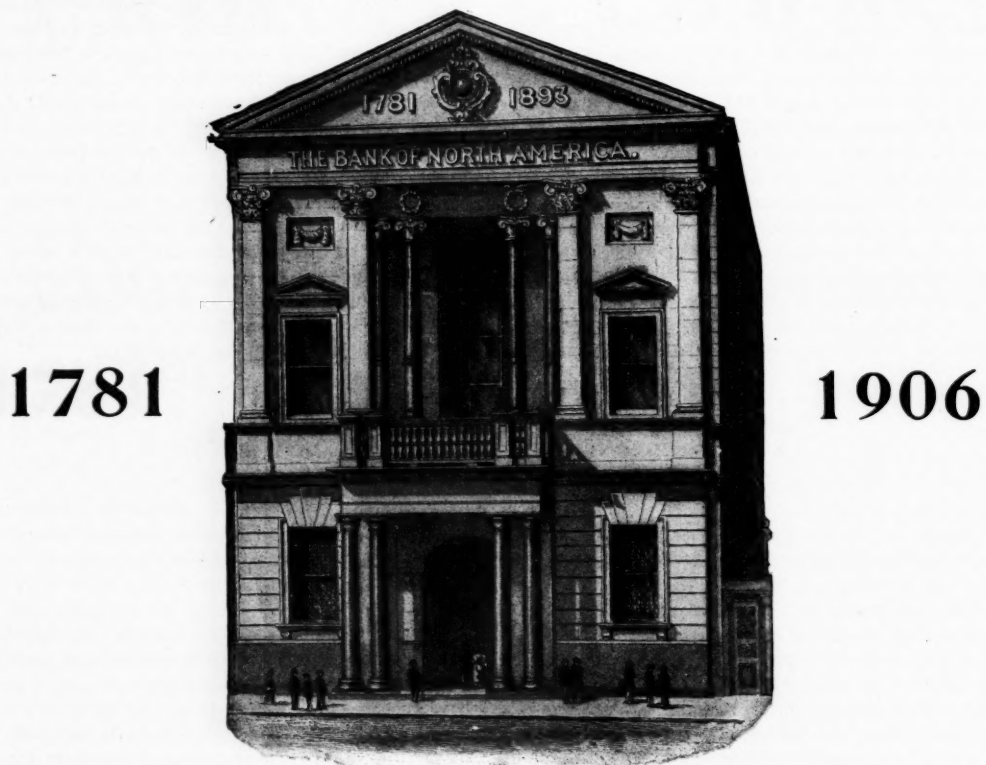
As long ago as 1863 Mr. Stessels, an eminent naval officer and founder of the Belgian hydrographic service, submitted to the Government a plan for straightening the river channel. His project, which has formed the basis of that since adopted, was to cut a new channel for the river from the point where the first curve began, just below the city, to the point where the last curve ended, at Kruisschans five miles below. The scheme met with cordial approval and also with the most lively hostility. The citizens of Antwerp especially were in the main opposed to it as they feared that while these works were in progress navigation would be so much impeded that shipping would leave the port, possibly never to return. For this reason the Communal Council and the Chamber of Commerce united in opposing the plan just outlined when formally presented by the Government in 1895. Accordingly, for the time, attention was devoted to the construction of port improvements designed merely to keep pace with the increasing demands for quay accommodation. At the time when the article on the Port of Antwerp which appeared in this paper in 1903 was written, the installations consisted of two miles, 308 yards of quay wall along the right bank of the river and 160½ acres of locked docks surrounded by six miles,

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1,360 yards of quays. During the year 1903 the Belgian Government completed and opened to shipping 2,187 yards of new quays to the south of the port, or upstream, making the total of quays on the river itself three miles, 743 yards. At the present moment the City of Antwerp is constructing two large docks, known as the Intercalary Docks (Bassins intercalaires), and a new lock to the north of the port, or on the down-stream side. These new docks will cover an area of 333,300 square yards and will cost approximately \$1,500,000. They will be finished, in all probability, by May, 1907.

It was fully recognized on all sides that these projects furnished no solution of the real problem for the improvement of the port, and on the 15th of April, of this year, the Belgian Minister of Finance, and chief of the Cabinet, Count de Smet de Nayer, summoned Mr. Roeyers, the Chief Engineer of the City of Antwerp, and laid before him a new Government plan. This embodied the following projects:

1.—The construction of a new bed or channel for the river Scheldt in the form of an immense arc, which should start from the Kattendyk Dock in the present port, and extend to Kruisschans, thus completely cutting off the three curves above described.

2.—The construction—before this new river bed is begun, and with a view to avoiding any possible interference with the present business of the port—of a huge canal dock or basin running parallel to the proposed new bed, but to the right of it, and extending from the existing Intercalary Docks to the junction point of the present river bed and the proposed new channel. Here it will connect with the river by means of three great locks, each 984 feet long, 98 feet wide and 26 feet deep at low water, and costing in all about 20,000,000 francs. The total length of this canal dock will be five miles, while it will be for the most part 273½ yards wide, and 40 feet deep, with three spaces 437½ yards across, to enable large vessels to turn easily.

3.—The construction along the right bank of this canal dock of nine immense subsidiary docks. These will be transverse docks opening directly into the canal and without locks. Each is to be 3,936 feet long, 656 feet wide and 40 feet deep like the canal. In addition it is proposed to construct near the triple locks at the entrance of the canal a circular basin 500 meters in diameter for the use of shipyards and ship repair plants, which will be erected at this point. Provision is also made at this point for five large dry docks, the largest being 820 feet long, and capable of handling the largest liner afloat.

4.—The old bed of the river, after all these other works are completed, will be made available as an enclosed basin, around which quays will perhaps be constructed for handling bulky freight, such as lumber, etc. A short canal will be cut from the left bank of the river at a point near where the present and the new channels meet to a point on the old river bed, just inside the dam, which will cut it off from the new channel, thus avoiding the old curve at Kruisschans, the site of which will be entirely filled in.

5.—From Kruisschans, on the right bank, a circular boulevard is to be constructed around the locks and past the nine new docks to the city itself, where it will end at the Place St. Jean. This will be 50 meters in width, and will accommodate tramways as well as the vast freight traffic.

6.—Around the entire region included in these works and the existing city, as well as the docks to the south on the upstream side, new fortifications of the most elaborate and costly kind will be constructed.

Opinions vary widely as to the probable expense and duration of these vast works. The Government estimates that the total cost will be 200,000,000 francs or about \$40,000,000, of which 125,000,000 francs or \$25,000,000 will be for the port works and the remainder for the fortifications. Other estimates reach a total as high as 500,000,000 francs, or \$100,000,000 for all of the works comprised in the foregoing plan. Another estimate places the cost, exclusive of military works and of the nine great subsidiary docks and the dry docks—these docks being paid for by the City of Antwerp—at \$35,000,000. For the docks the Belgian Government will advance the funds, but will eventually make them over to the city on terms to be hereafter arranged.

It has been estimated that in all of the proposed works it will be necessary to excavate no less than 75,000,000 cubic meters of earth, which will be employed in filling in the numerous spaces of made land that will be required for the erection of warehouses, factories, shipyards, railway terminals, etc. Three villages will be entirely destroyed in the course of the operations—Austruweel, Oorderen, and Wilmarssdonck—with a total population of about 4,000 inhabitants. The present American Dock will also have to be destroyed and a small portion of the Lefebvre Dock. The American Dock is largely used for the storage of petroleum, a commodity which may eventually be stored across the river in the basin created by the enclosure of the old river bed.

The following figures, taken from a report by Mr. Hertslet, the British Consul-General at Antwerp, show the result of the proposed improvements in increasing the dock and quay area of the port. The quay wall on the new channel of the

river Scheldt will be 5½ miles in length, and that bordering the left bank of the canal dock will be 4 miles long. Between these quay walls there will be an open space of raised land varying from 162 to 218 yards in width, furnished with sheds covering an area of 163 acres on the river side and 122 on the canal side. Between these quays, with their sheds and other equipment will be an open space covering 272 acres and available, presumably, for private constructions such as are necessarily incidental to the work of a great port.

The canal dock will comprise altogether 489 acres of water area, while the nine new docks will comprise 477 acres of water area and be lined with 15 miles of quay walls and 425 acres of sheds.

The capacity of the dock formed by the disused arm of the Scheldt itself will be 1,457 acres. The length of the quay walls on the river Scheldt itself will be increased from 3 miles, 734 yards to about 7 miles; and the length of the quays in the docks from about 9 miles to more than 26 miles.

The area of the water opposite the river quays will also be increased from 204 acres to 523 acres, owing to the river being widened, while the total area of the maritime docks will be increased from 154 acres to 1,164 acres.

The sheds, which now cover 93 acres will be extended first to 141 acres, and then gradually to about 834 acres. The quays of the barge docks will be increased from 2,909 yards to 5,315 yards, and their area from 14 to 55 acres.

Mr. Hertslet, in his able report, also calculates the increase in the capacity of the port, taking the existing accommodation as a unit. The length of quays on the river Scheldt will be increased two and one-half times (2.56) and the water surface to a corresponding extent. The superficial area of the maritime docks will be increased nearly twenty fold (19.50), including the dock to be formed from the old bed of the river. The area of the sheds will be increased nine fold, the length of the barge or canal-boat docks 1.8 times and the area of the latter 3.85 altogether.

Returning to the Belgian Government estimates the present length of the quay walls of all kinds at the port of Antwerp is 42,653 feet, which will be increased by the Intercalary Docks and other improvements to 52,496 feet.

When the entire scheme of port improvements here outlined is complete the grand total length of the quay walls will be 154,207 feet, or substantially three times as much and a greater total, the loyal Belgians believe, than can be shown by any other port in the world. It may be questioned, however, if this is greater than the length of the wharves at New York, where, owing to the small tidal changes, locked-in basins are unnecessary, and where, moreover, any boarded-over construction of piles will serve as a wharf. But in comparison with ports having works built along similar lines and with equal solidity—the existing quay walls are all of massive stone—it is safe to say that this scheme, if carried out in full will give Antwerp the largest first class port capacity and accommodation of any port in the world.

In July, 1906, the first contracts will be let for this great undertaking, although some preliminary works are now in progress, and in ten years it is expected that the scheme will be complete. The canal dock will, it is believed, be ready for use in about three years, and until it is ready no work will be done toward changing the present river channel.

In its entirety this vast plan reflects the utmost credit both upon the Government of Belgium and the Municipality of Antwerp, which are now working harmoniously together toward its realization.

Above all the plan redounds to the honor of His Majesty Leopold II., the King of the Belgians, to whose untiring energy and patience and far-sighted realization of the commercial needs of his country, both in the near and the distant future, the final successful overcoming of all obstacles is largely due.

When completed the new port of Antwerp will be universally recognized as the crowning achievement of his reign and a lasting monument to his commercial genius.

The Trust Company of America

135 BROADWAY, NEW YORK

BRANCHES:

36 WALL STREET, NEW YORK

95 GRESHAM ST., LONDON, E. C.

CAPITAL AND SURPLUS, \$12,080,000

STATEMENT, CLOSE OF BUSINESS, DEC. 30, 1905

ASSETS			LIABILITIES		
Cash	-	\$8,907,747.30	Capital	-	\$2,000,000.00
Stocks and Bonds	-	12,623,888.02	Surplus and Undivided	-	-
Real Estate	-	1,050,000.00	Profits	-	10,081,974.31
Bonds and Mortgages	-	2,127,153.03	Accrued Taxes	-	60,000.00
Loans	-	41,204,626.40	Interest	-	163,093.94
Interest	-	439,686.00	Deposits	-	54,048,032.30
		<u>\$66,353,100.75</u>			<u>\$66,353,100.75</u>

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129 SOUTH FOURTH STREET,

PHILADELPHIA.

DEALERS IN COMMERCIAL PAPER.
COLLATERAL LOANS NEGOTIATED.

Banks and Banking in the United States.

The Rapid Progress Made in Recent Years. The Growth in Some of the Large Cities of this Country.

Ever since the enactment of financial legislation five years ago the expansion of this nation's banking facilities has been little short of phenomenal, and the strides were especially long in 1905. New territory was opened, and with the starting of each small town almost the first necessity was a bank, particularly in sections that developed manufacturing industries. A nation so wonderfully prosperous calls for constant extension of financial machinery, and the numerical increase of institutions is found chiefly at the interior, whereas the most striking gains in deposits are chiefly discovered in the few central reserve cities, with New York at all times the dominant factor. In the last few years the growth of trust companies has been very great, because of the liberal charters under which these important institutions operate, enabling them to perform many useful functions that are beyond the jurisdiction of even the State banks. These are also more numerous, as are the private banks, and most noteworthy of all are statistics pertaining to savings banks; the great stimulus and opportunity for those of limited means with thrifty proclivities. As a sociological element the savings bank accomplishes much more than the check bank, because of the effort required to withdraw funds, and in studying the condition of the wage-earner the economist naturally turns to records of these institutions. All serve their purpose, however, and all make most gratifying exhibits at the present time, as might be expected when the country is known to be at the zenith of its career thus far. As shown in the following table, which gives the latest date covered by reports of each class of bank, although by no means the same month in each case, all previous high-water marks are now surpassed:

TOTAL RESOURCES ALL BANKS.		
	1905.	1900.
National Banks.....	\$7,563,155,823	\$5,048,100,000
State Banks.....	3,190,911,378	1,759,835,802
Loan and Trust Companies.....	2,865,976,479	1,330,160,343
Savings Banks.....	3,368,279,857	2,624,873,634
Private Banks.....	165,233,295	126,789,041
Total.....	\$17,153,556,832	\$10,889,758,820

These comparisons for the past five years indicate that despite the fact that the greatest gain in number has occurred in the State banks, and the total for that class is more than 2,000 greater than the national banks, yet the latter have far exceeded all others as to deposits and total resources, while the savings banks rank second in size of deposits. In many respects the loan and trust companies have developed most rapidly, and it appears that comparatively little progress is made by private banks. This is a natural result of the establishment of national banks in many of the small towns, which were formerly dependent upon private institutions. The increase in number of banks appears the more striking when it is remembered that the tendency of late years has been toward consolidation, many of the leading institutions in the large cities having joined forces, but in the smaller towns and villages the growth in number has been most pronounced.

FIVE YEARS' INCREASE IN NUMBER.			
	1905.	1900.	Inc.
National Banks.....	5,833	3,871	1,962
State Banks.....	7,794	4,369	3,425
Loan and Trust Companies.....	683	290	393
Savings Banks.....	1,237	1,002	235
Private Banks.....	1,028	989	39
Total.....	16,575	10,521	6,054

In recent years scarcely any failures of national banks have occurred, and very few in any other branch of the business. This is due to a variety of causes, but chiefly the greater vigilance of bank examiners, the increased care in selection of men for positions of trust, and the general prosperity of the country that has obviated almost entirely

the menace of bad investments. The comparison as to individual deposits is as follows:

	1905.	1900.
National Banks.....	\$3,989,522,834	\$2,602,100,000
State Banks.....	2,365,209,630	1,266,735,282
Loan and Trust Companies.....	1,980,856,737	1,028,232,407
Savings Banks.....	3,093,077,357	2,384,770,849
Private Banks.....	127,937,098	96,206,049
Total.....	\$11,556,603,656	\$7,378,044,587

Some idea of the rapid increase in practically every item in the reports of the national banks may be derived from a study of the appended table, which covers the record for a single year, the latest statement of the Comptroller of the Currency for 1905 being compared with the corresponding period of the preceding year:

A YEAR'S INCREASE.		
Resources.	Nov. 9, 1905.	Nov. 10, 1904.
Loans and Discounts.....	\$4,016,735,497.99	\$3,772,638,941.58
Overdrafts.....	54,473,855.67	54,941,935.97
U. S. Bonds to secure circulation.....	493,679,340.00	425,759,090.00
U. S. Bonds to secure U. S. Dep.....	57,559,800.00	107,566,650.00
Other Bonds to secure U. S. Dep.....	7,623,416.01	6,757,038.57
U. S. Bonds on hand.....	10,536,940.00	15,479,900.00
Premiums on U. S. Bonds.....	13,726,692.03	15,732,869.51
Bonds, Securities, etc.....	657,943,673.32	595,277,595.85
Bkg. House, Furn. and Fixtures.....	136,093,399.64	122,149,705.01
Other Real Estate owned.....	20,487,751.57	20,608,557.74
Due from National Banks.....	348,417,657.89	334,318,962.13
Due from State Bks. and Bkrs. &c.....	124,998,489.03	116,058,470.57
Due from approved Res. Agents.....	569,121,818.42	543,144,834.19
Check and other Cash Items.....	28,269,936.52	29,210,978.59
Exchanges for Clearing House.....	340,428,162.01	341,998,191.85
Bills of other National Banks.....	31,183,857.00	27,530,385.00
Frac. currency, Nickels and Cts.....	1,817,487.94	1,758,792.12
Specie.....	460,934,467.89	484,187,821.84
Legal-tender Notes.....	161,157,612.00	157,942,968.00
Five per cent. Redemption Fund.....	24,047,836.69	20,706,134.02
Due from Treasurer U. S.....	3,927,131.93	3,222,233.29
Total.....	\$7,563,155,823.55	\$7,196,991,955.83
Liabilities.		
Capital Stock paid in.....	\$808,328,658.00	\$776,089,401.00
Surplus Fund.....	420,785,055.00	399,961,534.15
Und. Pr., less Exp. and Taxes.....	212,371,042.49	195,366,258.06
National Bank Notes outstanding.....	485,521,670.50	419,120,020.00
State Bank Notes outstanding.....	30,972.50	42,663.50
Due to other National Banks.....	777,167,729.63	761,568,172.79
Due to State Banks and Bankers.....	348,631,097.97	312,830,832.47
Due to Trust Co.'s and Sav. Bks.....	339,112,588.75	399,438,881.88
Due to Approved Reserve Agts.....	39,127,292.53	38,793,020.92
Dividends unpaid.....	1,770,894.60	1,450,704.61
Individual Deposits.....	3,989,522,834.51	3,707,706,530.93
U. S. Deposits.....	51,600,587.23	101,336,914.60
Dep. of U. S. Disbursing Officers.....	9,685,067.89	8,965,600.33
Bonds borrowed.....	36,590,097.50	33,445,272.46
Notes and Bills rediscounted.....	7,369,244.45	8,642,079.86
Bills payable.....	28,497,673.59	25,508,404.19
Reserved for taxes.....	2,684,260.47	
Liabilities other than those above.....	4,361,115.94	6,725,664.08
Total.....	\$7,563,155,823.55	\$7,196,991,955.83

Bank note circulation has recently risen far above earlier records, responding to the pressure for currency. This form of money had the stimulus of several favorable enactments in the last change of law, especially the reduction in capital required and the lower tax, while of late there has been the refunding of higher rate government bonds into the 2 per cent. consols which supplied cheaper security for deposit against note issues. Not only have the national bank notes in circulation made remarkable gains in the last few years, but all money in the hands of the people exceeds all records, the official statement on January 1, 1906, showing an average of \$31.82 for each man, woman and child, on an estimated population of 83,960,000. The money now in circulation is compared in the following table with the figures of about five years ago when the amount per capita was \$26.94 on an estimated population of 76,303,387:

MONEY IN CIRCULATION.		
	1905.	1900.
Gold coin.....	\$654,168,025	\$610,806,472
Gold certificates.....	480,939,019	200,733,019
Standard silver dollars.....	83,736,227	65,889,346
Silver certificates.....	463,950,485	408,465,574
Subsidiary silver.....	116,029,365	76,160,988
Treasury notes.....	8,274,884	75,303,942
United States notes.....	343,262,091	313,971,545
National bank notes.....	527,173,475	300,115,112
Aggregate.....	\$2,671,543,571	\$2,051,445,998

CAPITAL, - - \$1,500,000.00
 SURPLUS, - - \$1,000,000.00
 UNDIVIDED PROFITS, \$811,992.17

Banking Department
 Savings Department
 Foreign Department
 Trust Department



BANK BUILDING OF
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The Banks in New York City.

The progress of banking in New York City during the past ten years has been most marvelous. The city is not only the banking center of the country, but its place in the international world of finance has advanced to a point where it bids fair at no far distant date to attain a position strongly rivaling that of London. Through the banks of New York flows the currency that mainly furnishes the capital for the great industrial and manufacturing enterprises of the country. From this point are shipped the funds which help the farmer harvest and move his crops. They are then returned to meet the active demands of trade. Under many financial strains and crises the banks of New York have stood firmly together. Their management has been wise and conservative and the marrring occurrences in their record have been so few that public confidence in the honesty and probity of their officials has proven well founded.

The history of banking in New York City goes back to 1784, when the Bank of New York was organized under a constitution written by Alexander Hamilton, a member of the first Board of Directors. It would be interesting to follow the course of banking from that time, but it is really within the past decade that the growth has been the most marvelous. There has been a wonderful growth in every department and the totals of some of the items now reach into the billions. It is not often that an opportunity is given to compare the status of the national and State banks and trust companies at a particular date, but such a one occurred as a result of the call of the Comptroller of the Currency and that of the State Bank Superintendent for a statement of the condition of these various institutions as of November 9th last. The showing made was a remarkably good one, considering that it occurred at the height of the crop moving season when the outflow of currency had been steadily progressing for weeks. Following are the totals reported by the national banks, trust companies and State banks of New York City at the date mentioned:

	Nat. Banks.	Trust Cos.	State Banks.	Totals.
Capital.....	\$107,902,000	\$55,975,000	\$21,947,700	\$185,724,700
Net Profits.....	124,672,100	151,805,500	29,466,100	305,743,700
Due Banks, Etc.....	384,466,900	107,872,700	26,733,200	528,071,800
Due Other Depositors.....	563,353,700	902,864,400	254,319,100	1,720,537,200
Loans.....	719,659,400	852,129,200	229,557,700	1,801,346,300
Bonds & Securities.....	215,041,200	254,402,200	25,840,500	495,283,900
Due from Banks.....	65,603,900	100,701,100	24,944,500	191,249,500
Specie.....	172,384,000	17,005,200	26,972,100	216,361,300
Legal Tenders.....	46,822,700	2,961,300	18,627,900	68,381,900

These are marvelously large figures. Accurate comparison is possible by separating the Clearing House banks from the trust companies and other financial institutions not members of the Clearing House, and this comparison is made below. On August 5th last the loans of the New York Clearing House banks reached the extraordinary total of \$1,146,163,700, the greatest amount ever recorded. At the end of the year they had been reduced to \$1,001,025,000, but placing those figures side by side with \$478,466,500, the amount of loans at the end of 1895, some realization of the growth of the loaning power of the banks may be had. The cash holdings at the close of last year were \$248,705,400, over \$41,000,000 below what they were at the same period in 1904, for which the abnormally long period of outflow of currency to the interior last fall was responsible. With that one exception the cash holdings were in excess of any other year at the same time, and over \$100,000,000 above the total at the close of 1895. During 1905 cash holdings reached their highest point on July 29, when they were \$315,242,200, and were at their lowest on December 9, when the total was \$246,812,400. The maximum cash holdings on record were \$361,205,700 on August 20, 1904. There has been a steady increase of capital since 1898 from \$58,272,700 at the close of the year to \$115,972,700 at end of 1905.

Deposits were at their highest point of record on September 17, 1904, when they amounted to \$1,224,206,600, Their

maximum amount last year was \$1,202,972,300 on February 11, falling from those figures to \$977,651,300 at the end of the year, almost double the total at the close of 1895. Deposits were at their lowest point in the last ten years, on November 7, 1896, when they were \$438,437,600. Surplus reserves fell on November 11 to the lowest level since November 11, 1899, an odd coincidence of dates. The deficit of \$2,428,800 at the first named time contrasting with \$2,788,950 on the latter. Circulation increased from \$14,194,500 at the end of 1895 to \$53,096,000 at the same time last year. The highest point at which surplus reserves have stood in the last ten years was \$62,206,250 on June 10, 1898, while the lowest point was November 11, 1899.

All the foregoing figures and those in the subjoined tables are taken from the averages of the Clearing House banks at the close of each year, but taking the last call of the Comptroller of the Currency this year with the corresponding one in 1905, increases are shown of \$56,652,000 in capital, \$64,067,000 in net profits, \$482,622,700 in deposits, \$365,238,400 in loans and \$99,886,400 in cash holdings. From the same sources are derived a comparison of the condition of the State banks at the same periods, showing increases of \$7,275,000 in capital, \$14,207,200 in net profits, \$167,720,000 in deposits, \$129,683,600 in loans and \$19,281,400 in cash. The following tables give the various items of liabilities and assets at the close of each year since 1895:

ASSETS.			
	Loans.	Reserve.	Surplus.
1905.....	\$1,001,025,000	\$248,705,400	\$4,292,675
1904.....	1,066,701,200	259,695,700	13,625,425
1903.....	908,570,500	231,086,600	9,541,875
1902.....	869,546,600	239,066,600	7,515,575
1901.....	803,989,600	231,887,600	14,150,075
1900.....	796,457,200	225,073,200	11,525,900
1899.....	679,689,400	196,179,800	11,168,075
1898.....	713,308,700	224,940,400	19,180,975
1897.....	607,781,600	165,983,200	15,788,750
1896.....	487,673,300	165,769,200	34,909,900
1895.....	478,466,500	141,212,000	15,939,600

LIABILITIES.			
	Capital.	Deposits.	Circulation.
1905.....	\$115,972,700	\$977,651,300	\$53,096,000
1904.....	115,972,700	1,104,049,100	43,145,300
1903.....	115,572,700	886,178,900	44,925,400
1902.....	102,251,900	928,304,100	31,874,200
1901.....	83,622,700	870,955,100	30,982,500
1900.....	74,722,700	854,189,200	31,040,800
1899.....	59,422,700	740,046,900	16,042,700
1898.....	58,272,700	823,037,700	16,270,600
1897.....	58,522,700	675,064,200	15,507,200
1896.....	60,772,700	525,837,200	14,194,500
1895.....	61,122,700	501,089,300	14,194,500

The following table gives the maximum and minimum deposits since 1895:

MAXIMUM AND MINIMUM DEPOSITS.			
	Maximum.	Minimum.	
1905.....	\$1,202,972,300	\$977,651,300	Dec. 30
1904.....	1,224,206,600	886,178,900	Jan. 2
1903.....	993,219,300	841,552,000	Nov. 28
1902.....	1,019,474,200	863,125,900	Oct. 18
1901.....	1,012,514,000	870,950,100	Jan. 5
1900.....	907,344,900	748,953,100	Jan. 6
1899.....	914,810,300	736,836,900	Nov. 18
1898.....	823,037,700	658,503,300	Apr. 30
1897.....	675,169,900	530,785,000	Jan. 2
1896.....	525,837,200	438,437,600	Nov. 7
1895.....	577,223,300	500,822,300	Apr. 6

The following table gives the maximum and minimum surplus reserves since 1895:

MAXIMUM AND MINIMUM SURPLUS RESERVES.			
	Maximum.	Minimum.	
1905.....	\$26,979,550	\$2,428,800	Nov. 11
1904.....	58,613,075	8,381,375	Nov. 28
1903.....	27,880,775	688,975	Mar. 17
1902.....	26,623,350	1,642,050	Sept. 20
1901.....	30,799,450	5,211,525	July 6
1900.....	30,871,275	2,688,425	Mar. 17
1899.....	43,933,725	2,788,950	Nov. 11
1898.....	62,206,250	4,240,400	Sept. 17
1897.....	59,148,250	1,523,450	Dec. 24
1896.....	40,182,425	8,228,550	Sept. 7
1895.....	45,880,450	13,413,450	Mar. 30

*Deficit.

In the year ended September 30th, 1905, which is the Clearing House year, the transactions in the New York Clearing House aggregated approximately \$96,000,000,000, of which approximately \$92,000,000,000 were for exchanges and \$4,000,000 for balances, a record unequalled in any other year. The previous best record was that of 1901 when the exchanges aggregated \$77,000,000,000, an average of daily clearings of \$254,000,000, while in the present year the daily average was \$302,000,000. The figures are of such magni-

THE MERCHANTS' LOAN AND TRUST COMPANY OF CHICAGO

ORGANIZED 1857

CAPITAL AND SURPLUS, \$6,500,000
DEPOSITS, \$51,000,000

GENERAL BANKING

ACCOUNTS OF BANKS, MERCHANTS, CORPORATIONS AND INDIVIDUALS
SOLICITED ON FAVORABLE TERMS

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High-Grade Bonds bought and sold. Circulars mailed on request.

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Carefully selected First Mortgages on improved Farm Lands bought and sold.

SAFE DEPOSIT VAULTS:

The Vaults are of the latest and most approved construction and afford absolute security against loss from fire or burglary. Safes rented from \$3.00 per year upward.

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F. N. WILDER, ASSISTANT CASHIER

P. C. PETERSON, ASSISTANT CASHIER, MGR. FOREIGN EXCHANGE DEPT.

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LEON L. LOEHR, SECRETARY TRUST DEPT.

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tude that it is hard to appreciate their full meaning, but in commenting on them Mr. William Sherer, Manager of the New York Clearing House, points to the fact particularly that the exchanges of the checks and drafts of the banks among themselves were approximately \$92,000,000,000 and it only required \$4,000,000,000 to pay the balances, showing how small a part relatively actual cash played in the perfecting of exchanges and trade. The New York Clearing House made a record that is approximately some 68 per cent. of the entire Clearing House transactions throughout the United States. Many of the transactions made elsewhere in the United States are paid through drafts or exchange issued against New York. Very much of the borrowing of capital is either made in New York or arranged here, and the indirect influences of that are felt in the New York Clearing House. The Assistant Treasurer at New York had exchanges of the New York Clearing House of \$786,000,000 in round numbers, and the excess of the debit balances over its credit balances was \$186,000,000. These represent not merely Clearing House transactions, but also the movement of funds from New York city to the West at a time when the great marketing of the crops is under way. The following are the exchanges, balances and average daily clearings of the New York Clearing House for the past eleven years:

	Exchanges.	Balances.	Average Daily Clearings.
1905.....	\$93,822,080,202	\$3,985,303,934	\$312,740,200
1904.....	69,672,296,804	3,105,858,576	195,648,514
1903.....	70,833,655,000	3,315,516,487	233,005,447
1902.....	74,753,189,436	3,377,504,072	245,898,619
1901.....	77,020,672,494	3,515,037,741	254,193,639
1900.....	81,964,538,564	2,730,441,281	170,336,147
1899.....	57,368,230,771	3,085,971,371	189,961,029
1898.....	39,863,413,947	2,338,529,016	131,529,418
1897.....	31,337,760,948	1,908,901,898	103,424,954
1896.....	29,350,894,884	1,843,289,239	96,232,442
1895.....	28,264,379,126	1,896,574,249	92,970,095

The largest clearings in the year 1905 were \$3,465,385,493 in the week of December 23 and the smallest \$2,230,577,966 in the week of August 12. The largest exchanges ever recorded in a single week were for that ended May 11, 1901, when the aggregate was \$3,680,967,393.

If the bank progress has been great in the past ten years, that of the trust companies has been even more remarkable and these institutions have obtained a place in the financial world that makes them a very strong factor in the commercial and trade development. In 1895 there were but fifteen trust companies doing business in New York, but in ten years the number has more than doubled, and the capital represented in them has grown from \$19,500,000 to \$47,575,000. From \$235,460,331 at the close of 1895 deposits

have increased to \$707,446,000 at the close of 1905. A slight falling off was shown in 1904 and 1903 from 1902, but at the close of 1905 deposits stood at \$707,446,000, an increase of more than \$176,000,000 at the same time in 1904 and of over \$470,000,000 as compared with 1895. The amount of loans at the close or the latter year was \$154,036,938 and on November 9th last \$663,105,100, an increase of \$509,000,000. As compared with 1904, the increase was \$190,000,000.

The following table gives a comparison of the deposits and loans of some of the principal banks in 1905 and 1895, the figures being taken from the report of the Comptroller of the Currency:

GROWTH OF INDIVIDUAL NATIONAL BANKS FOR TEN YEARS.

	Deposits.		Loans.	
	1905.	1895.	1905.	1895.
American Exchange.....	\$25,626,300	\$20,154,000	\$19,955,430	\$17,029,700
Chase.....	51,305,800	21,438,600	27,716,670	14,726,000
Chemical.....	24,389,102	25,350,000	27,107,000	21,075,300
First.....	87,762,900	21,313,800	41,763,654	9,583,100
Gallatin.....	22,297,200	21,550,800	18,790,380	12,770,500
Hanover.....	12,216,562	5,856,600	4,516,060	4,521,600
Park.....	60,652,700	20,576,700	44,122,669	14,214,100
Seaboard.....	82,457,300	32,514,300	62,168,090	24,317,500
Mechanics'.....	19,479,100	7,147,900	14,765,287	399,800
Nat. of N. America.....	21,846,875	7,918,400	18,003,476	6,701,400
	15,525,300	12,064,800	11,589,917	8,395,200
	21,385,300	8,802,700	17,809,383	8,894,400
	21,129,756	5,898,100	10,815,546	4,866,700

The following table, compiled expressly for this number of DUN'S REVIEW, from the statements of the individual companies doing business in this borough, shows better than words what wonderful strides the trust companies have made in the past ten years:

TRUST COMPANIES.

	No.	Capital.	Loans.	Deposits.	Cash.
1905.....	33	\$47,575,000	\$643,105,100	\$707,446,000	\$89,016,300
1904.....	35	46,075,000	469,367,419	531,542,850	120,532,744
1903.....	34	46,075,000	449,562,806	539,487,244	120,704,588
1902.....	34	41,700,000	473,116,387	569,661,879	104,694,931
1901.....	26	34,500,000	484,344,019	543,723,550	99,026,230
1900.....	26	34,500,000	345,131,256	504,054,227	83,582,928
1899.....	26	34,000,000	279,736,994	399,691,551	47,034,419
1898.....	21	23,500,000	252,046,827	364,470,791	49,246,181
1897.....	21	22,000,000	201,421,061	289,343,915	41,281,949
1896.....	15	19,500,000	148,855,497	237,246,223	41,696,910
1895.....	15	19,500,000	154,036,938	235,460,331	39,903,411

The following table shows the growth of some of the more important trust companies, comparing the figures for loans and deposits at the close of 1895 with those reported to the State Banking Department November 9 last:

GROWTH OF INDIVIDUAL COMPANIES.

	Deposits.		Loans.	
	1905.	1895.	1905.	1895.
Central Trust.....	\$56,942,900	\$28,805,893	\$54,562,500	\$23,784,049
Guaranty Trust.....	43,022,700	11,299,050	27,722,300	6,283,475
Knickerbocker Trust.....	56,949,600	10,018,889	44,777,900	7,291,181
Manhattan Trust.....	13,482,100	4,646,939	7,921,100	4,171,103
Mercantile Trust.....	38,550,700	24,503,100	42,866,900	16,376,179
Metropolitan Trust.....	21,140,400	7,586,704	27,736,800	8,969,844
New York Trust.....	42,143,400	8,845,990	36,317,400	4,201,542
Real Estate Trust.....	9,935,100	2,880,278	9,028,700	1,783,670
Union Trust.....	45,514,400	33,441,230	41,918,300	20,681,616
United States Trust.....	46,572,000	37,205,468	44,730,000	29,077,880

Growth of Boston Banks.

The banking business of Boston has been going through a process of readjustment during the past decade that has caused some of the oldest and most honored bank names to disappear from the financial records of the day and, to some extent, to be effaced even from memory. Nearly \$25,000,000 of national bank capital has been retired in the past ten years, principally by voluntary liquidation and consolidation, and no new national banks have been chartered, except a small one with \$200,000 which failed, and one or two substitute banks in cases where two or more old institutions were merged. Yet the national banks of Boston, judged by clearing-house exchanges (which average about \$7,000,000,000 annually), do more business than those of any city, excepting New York and Chicago, and this rank has been maintained in spite of the fact that the Boston Clearing House, in consonance with the New York Clearing House, adopted a rule five years ago charging exchange on checks from the Western, Middle and Southern States, which caused a large number of western banks to divert deposits, subject to the exchange charge, to Albany, Philadelphia and other points offering free exchange, and this

of course carried other business with it, swelling the deposits at other cities at the expense of Boston and New York.

Ten years ago 70 per cent. of the commercial banking was transacted by national banks, the trust companies having 30 per cent. of the combined deposits of the two kinds of institutions, but in ten years the trust companies have gained steadily and now have 41 per cent. of the combined deposits, although the national banks show a gain in deposits over figures of ten years ago of more than 25 per cent. The trust companies, therefore, are strong bidders for commercial business, and expansion in banking here seems to tend in the direction of more trust companies rather than more banks.

In a different class entirely are the savings banks and co-operative banks, which are the depositories of the masses. The savings banks care for immense funds in Massachusetts, but the co-operative banks, which are also under the supervision of the State commissioners of savings banks, have been growing in popularity, owing to the high dividends they pay in comparison with the low interest paid on deposits by the savings banks. Of savings banks in Boston

The Continental National Bank of Chicago.

STATEMENT OF CONDITION

AT CLOSE OF BUSINESS, NOV. 9, 1905

Resources

Loans and Discounts	\$33,449,525.40	
Stocks and Bonds	1,011,202.13	\$34,460,727.53
U. S. Bonds to secure Circulation		50,000.00
Overdrafts		4,919.57
Real Estate		4,685.70
Due from Banks and U. S. Treasurer	8,606,594.29	
Cash	12,296,813.45	20,903,407.74
		<u>\$55,423,740.54</u>

Liabilities

Capital Stock Paid in	\$3,000,000.00
Surplus Fund	1,000,000.00
Undivided Profits	161,402.78
Circulation	50,000.00
Deposits	51,212,337.76
	<u>\$55,423,740.54</u>

Officers

JOHN C. BLACK, *President.*

G. M. REYNOLDS, <i>Vice-President.</i>	BENJ. S. MAYER, <i>Assistant Cashier.</i>
N. E. BARKER, <i>Vice-President.</i>	W. G. SCHROEDER, <i>Assistant Cashier.</i>
IRA P. BOWEN, <i>Assistant Cashier.</i>	HERMAN WALDECK, <i>Assistant Cashier.</i>

JOHN MCCARTHY, *Assistant Cashier.*

Directors

JOHN C. BLACK, *President.*

ALBERT J. EARLING,	J. OGDEN ARMOUR,	HENRY BOTSFORD,
F. WEYERHAEUSER,	ALEXIS W. THOMPSON	FRANK HIBBARD,
P. A. VALENTINE,	GEORGE M. REYNOLDS	N. E. BARKER,
WM. C. SEIPP,	BERTHOLD LOEWENTHAL,	B. A. ECKHART,
EDWARD HINES,	ALBERT W. HARRIS.	

FOREIGN EXCHANGE DEPARTMENT.

there were 17 in 1896 with deposits of \$142,385,563, while there are now 19 with deposits of \$207,480,700, a gain in ten years of \$65,095,137, or about 45 per cent. Of co-operative banks in Boston there were 16 in 1896, with "dues capital," or deposits, of \$4,399,628. At present there are 19, with deposits (dues capital), \$6,783,049, a gain of 31 per cent.

Boston banks of every variety hold a high prestige, owing to the generally conservative management and rigid supervision; also, because of the exceedingly small number of suspensions in past years by which depositors have lost. The banks and other financial institutions of the many cities and towns immediately adjacent to Boston (Greater Boston, in short,) show the same conservative management, and their aggregate strength, measured either by capital or deposits, is enormous, but these banks are necessarily excluded from consideration.

From the earliest times Boston has been one of the important money centers of the country. Its first bank was the Massachusetts, organized and incorporated in 1784, being the second oldest in the United States. This bank continued under its original charter until after the national bank law was passed, when it became the Massachusetts National Bank, and continued successfully as such until merged with the First National Bank in June, 1903, when the old name was dropped. The next oldest was the Union Bank, now the National Union Bank, incorporated in 1792. Many other institutions date far back, but in spite of the age of the banks themselves, many of the officers who now manage them are young men of exceptional energy and ability, and Boston banking methods are fully up-to-date and modern in every way.

As stated before, banking has been in process of change in this city, the general purpose of the process having been to retire unnecessary capital and keep depositors' money employed as fully as possible. One bank alone (the National Shawmut) has gathered to itself the business of twelve national banks, which had an aggregate capital of \$11,550,000. The National Shawmut now carries all this business on a capitalization of \$3,500,000. The First National Bank, with capital of \$2,000,000, is the result of the combination of five banks, having aggregate capital of \$4,800,000. The Eliot National Bank has liquidated two other banks, with capital each of \$1,000,000; the State National took in the Hide & Leather Bank, with \$1,000,000, and its own capital remained unchanged at \$2,000,000; the Second National, with \$1,500,000 capital stock, stands for three old banks, which had combined capital of \$3,350,000; the Webster and Atlas banks, with capital of \$1,000,000 and \$1,500,000 respectively, combined as the Webster-Atlas, with \$1,000,000, and so on, the same tendency having been followed by smaller banks as well.

In spite of such radical scaling down of capital the national banks have increased about \$40,000,000 in resources the past ten years, and the national banks, trust companies and savings banks combined have increased their resources from about \$470,000,000 to \$675,000,000 during the past decade, a net gain of over 43 per cent. This calculation does not include the resources of the trust departments of the various trust companies, which are also very great.

The following table will illustrate the change in the banking conditions, giving the details for ten years, the figures being based on calculations made by the manager of the Boston Clearing House, Mr. Charles A. Ruggles:

NATIONAL BANKS OF BOSTON

Year.	No.	Capital Stock.	Surp. and Und. Profits.	Deposits (Averaged.)	Loans (Averaged.)	Aggregate Exchanges.
1905	31	\$28,750,000	\$23,722,683	\$218,740,544	\$188,505,039	\$7,608,544,683
1904	32	29,050,000	22,964,507	228,571,000	195,910,000	6,631,546,802
1903	35	31,950,000	23,136,268	203,531,000	188,513,000	6,717,416,678
1902	39	33,950,000	22,287,612	218,991,000	198,912,000	6,930,016,794
1901	41	34,750,000	21,977,422	229,991,000	196,783,000	7,191,685,110
1900	43	38,750,000	21,897,788	225,411,000	197,563,000	6,180,308,447
1899	44	40,950,000	20,920,176	212,813,000	201,310,000	7,089,235,271
1898	48	49,950,000	19,665,060	224,988,000	194,489,000	5,429,647,193
1897	59	61,700,000	20,462,127	193,268,000	189,208,000	5,095,619,199
1896	60	62,100,000	20,498,042	162,898,000	170,463,000	4,498,124,352

*Note—Four banks discontinued during the year, leaving 27 at the close of year.

Statistics of the trust companies have been compiled from the annual reports as of October 31 each year on file in the office of the Commissioners of Savings Banks. They show a tendency somewhat parallel to that shown by the national banks, namely a relatively large increase in the business done compared with the increase of capital, but this tendency is not so clearly shown in the trust companies, when taken as a whole, as it is in the record of a few of the largest of these concerns:

TRUST COMPANIES OF BOSTON.

Year.	No.	Capital Stock.	Surplus and Undiv'd Profits.	Deposits.	Loans.
1905	19	\$12,500,000	\$20,826,168	\$154,259,736	\$112,725,007
1904	19	12,500,000	21,059,781	131,638,324	101,066,739
1903	20	12,600,000	19,337,482	126,109,978	106,552,094
1902	19	11,600,000	12,211,681	137,774,341	112,637,578
1901	17	9,250,000	12,740,402	128,645,043	95,494,460
1900	17	8,950,000	12,576,015	111,158,692	81,456,180
1899	17	8,950,000	8,938,071	111,882,948	78,749,563
1898	15	8,050,000	9,958,791	105,775,685	67,188,450
1897	15	8,350,000	7,967,840	87,852,871	71,269,199
1896	15	8,150,000	7,806,327	69,580,493	48,261,106

The savings banks of Boston are growing in a gradual way from year to year, showing a diffusion of prosperity throughout the community. Their investments and loans are limited by law to such property or securities as are deemed ultra safe, and consequently their earnings are small in comparison with other banks. One of these banks has deposits of about \$45,000,000; two others have over \$30,000,000 and several more have over \$10,000,000 each. Savings banks pay from 3 to 3½ per cent. on deposits, as a rule, and but for the limit of \$1,000 per bank for each depositor, even this low rate would attract much heavier deposits, as they are esteemed safe in the highest degree.

The following table, showing the growth of Boston savings banks, was compiled from the records of the State Commissioners of Savings Banks, with the exception of the figures for 1905, which are estimated, the returns to the Commissioners not having been tabulated for that year:

SAVINGS BANKS OF BOSTON.

Year.	No.	Deposits.	Loans.	Year.	No.	Deposits.	Loans.
1905	19	\$207,480,700	\$141,211,483	1900	18	\$166,801,555	\$106,285,609
1904	19	196,326,312	134,758,501	1899	18	161,386,268	105,863,888
1903	19	187,780,901	131,372,861	1898	18	154,094,221	98,676,737
1902	18	181,139,317	122,492,314	1897	18	149,413,228	101,021,681
1901	18	171,705,008	115,528,608	1896	17	142,385,563	92,653,951

The co-operative banks are of small importance compared with the other institutions, but a review of Boston banks would not be complete without them, therefore figures have been compiled from the reports to the State, excepting those for 1905, which were estimated, for the reason that they have not been made up officially. The table is as follows:

CO-OPERATIVE BANKS OF BOSTON.

Year.	No.	Dues Capital (Deposits).	Profits Capital (Undiv. Earn.).	Loans.
1905	19	\$6,783,049	\$981,143	\$7,334,826
1904	19	6,237,092	945,459	6,920,723
1903	18	5,778,057	897,012	6,321,733
1902	18	5,295,375	817,791	6,659,662
1901	18	5,029,478	783,792	5,370,227
1900	18	4,873,424	789,333	5,234,243
1899	18	4,740,717	799,990	5,119,651
1898	17	4,802,482	792,099	4,971,516
1897	16	4,475,608	783,290	4,940,532
1896	16	4,399,628	705,282	4,949,246

Aside from the above-mentioned institutions there are many firms in the financial district closely affiliated with the banks, such as the foreign bankers who issue letters of credit and otherwise facilitate international trade, underwrite new issues of securities and deal in bonds, stocks and commercial paper. Several of these houses are known throughout the commercial world, and all the stronger firms have been steadily increasing their business and influence the past five or six years, covering a period of transition and expansion in the field of manufacture and transportation which has called for financial backers of new enterprises or old ones in process of reorganization in whom the public could repose entire confidence. Boston being the money center of rich and thrifty New England, a few of the old time firms have naturally come to be the advisers and trustees of thousands of investors great and small, giving these houses vast power and influence in the world money centers, New York and London. The resources of Boston's private banking firms, direct and indirect, cannot be closely estimated; but combined they are enormous.

Capital, . . . \$500,000.00

Surplus, . . . \$500,000.00

Undivided Profits, . . . \$76,332.47

AMERICAN GUARANTY OF CHICAGO COMPANY

ESTABLISHED 1892

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LEWIS W. PITCHER, Secretary of Company
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GENERAL OFFICES - - 171 LA SALLE ST., CHICAGO.

Record of the Philadelphia Banks.

Philadelphia can boast of a number of banks that date back early in 1800 and have been in continuous operation since. There is one that was organized in 1781 and is still doing business. One of its national banks also was the first to receive a charter to operate under the National Banking and Currency Act. There are now in operation in the city thirty-six national banks, three less than were in existence in 1897; three State banks, and fifty-one trust companies, the latter an increase of one since 1897. In the past nine years capital, surplus and undivided profits of the national and State banks and trust companies have increased nearly \$51,000,000, or 53 per cent. Deposits are now at their highest point, having increased \$298,000,000 since 1897, or from the lowest total reached in 1899 \$336,000,000. In percentage, the gain since 1897 is 99 per cent. Loans have risen steadily each year, with the exception of 1903, when a slight falling off from the previous year was shown. They now stand at \$306,694,711, over \$140,000,000 more than they were in 1897, or 81 per cent. increase. Taking the national banks separately, the capital stock has increased only \$1,310,000 in nine years, but their surplus and undivided profits shows a gain, after paying dividends of \$14,008,520, or 80 per cent. Their circulation in 1897 was \$6,513,562 and in 1905 \$14,473,236, an increase of \$7,959,674. During the same period the capital stock of the trust companies and State banks increased \$7,881,371, and surplus \$30,321,600, or 106 per cent. Measured in clearings the business of the banks has increased over \$3,700,000,000 since 1897, showing practically a steady increase each year. The monies held in trust by the trust companies have increased in nine years \$127,312,172, or 35 per cent.; a single institution holds \$87,501,249, another \$72,071,664, and a third \$43,408,252.

The increase in capital stock, surplus, deposits, loans and other items of the Philadelphia banks and trust companies during the past nine years is shown in the following tables:

	Capital Stock Nat'l Banks.	Capital Stock Trust Cos. & State Banks.	Capital, Surplus & Un- divided Profits
1905.....	\$22,225,000	\$36,747,113	\$145,069,917
1904.....	21,905,000	35,072,352	141,072,516
1903.....	21,905,000	34,392,115	135,176,669
1902.....	21,405,000	33,156,971	128,103,084
1901.....	21,405,000	31,846,706	120,267,833
1900.....	19,905,000	28,689,130	106,005,759
1899.....	19,305,000	26,877,675	95,677,765
1898.....	19,655,000	26,640,270	92,135,830
1897.....	20,915,000	27,865,742	91,399,422

	Deposits.	Trust Funds held by Trust Cos.	Loans.	Clearings.
1905.....	\$598,065,260	\$487,518,165	\$306,694,711	\$6,928,655,686
1904.....	584,244,110	455,180,186	288,504,396	5,776,306,000
1903.....	482,519,202	434,536,442	254,521,940	5,841,630,000
1902.....	475,618,931	421,523,847	259,488,870	5,875,328,000
1901.....	457,457,275	432,661,568	244,513,042	5,475,345,000
1900.....	417,014,843	397,459,963	212,386,041	4,677,665,000
1899.....	262,945,223	376,156,320	179,151,255	4,811,079,000
1898.....	331,925,308	368,515,858	169,571,684	3,671,676,000
1897.....	300,136,051	360,205,993	166,399,980	3,222,868,000

The honor of being the first chartered bank in the United States lies with the Bank of North America. The ordinance was passed perpetually incorporating the bank by Congress December 31, 1781, and it began active operation January 7, 1782, since which date it has been continually in business. It is the only institution belonging to the National Banking Association which is allowed to omit the word "National" from its title. At the time it commenced business \$85,000 in cash had been raised, exclusive of the amount of Government deposits. It was thought by the Board of Directors that the credit and efficiency of the organization might be materially assisted if a charter could be obtained from the State of Pennsylvania. On the 21st of February, 1782, the memorial presented to the Assembly was finally passed. By the beginning of the year 1784 the success of the bank was assured, and on January 12th of that year the directors were authorized to open the books of the bank on the first of the

following February for a new subscription of 1,000 shares, at the rate of \$500 per share. On September 13, 1785, a bill was passed by the State Legislature taking away its charter as a State institution, but its State charter was revived March 17, 1787. On March 28, 1814, the bank's charter was renewed for a period of ten years. It was again renewed March 21, 1825, and its corporate title changed to the Bank of North America, which has since been retained. On November 14, 1864, the stockholders, by the requisite two-thirds vote, authorized the surrender of the State charter, and that the bank should be reorganized as a national bank.

Another Philadelphia bank which has passed the century mark is the Philadelphia National Bank. Its articles of association are dated August 6, 1803. The fixed capital was \$1,000,000, divided into shares of \$100 each, \$10 on each share to be paid at the time of subscribing, and the remainder as the Board of Directors should order. It commenced business August 22, 1803, and on December 9th of that same year an application was made to the General Assembly of Pennsylvania to incorporate by the State, and late in February, 1804, the charter was granted. In September, 1864, it was unanimously voted by the Board of Directors to take out a national charter. Authority was granted and it commenced business under the national charter October 25, 1864, being No. 539 in the roll of national banks.

A third bank which has an interesting history is the Girard National Bank. It was organized in 1832, but its lineage is traced back to 1791, its immediate predecessor being Stephen Girard's Bank and its progenitor the First Bank of the United States. In 1811, when the First Bank of the United States went out of existence, Stephen Girard determined to establish a bank of his own, purchased the bank building, with its equipments, formerly occupied by the Bank of the United States, and May 12, 1812, opened his banking house for business with a capital of \$1,200,000. Girard's Bank continued in active operation until his death December 26, 1831, when the trustees took possession and proceeded to wind up his affairs. The work was accomplished in a little over two years, the trustees handing over to the executors of Mr. Girard's will moneys, securities and properties to the value of over \$4,000,000. A bill incorporating the Girard Bank was introduced and passed both houses of the Legislature April 3, 1832, and received the Governor's approval. The authorized capital of the bank was \$3,000,000. In 1836 the capital was increased to \$5,000,000 and its charter extended by the Legislature for twenty years. On May 2, 1849, its capital was reduced from \$5,000,000 to \$1,250,000, and May 28, 1853, the Legislature extended its charter for twenty years. It became a national bank under the title of the Girard National Bank, November 13, 1864. On April 2, 1901, it increased its capital stock \$1,500,000, and in May, 1903, made a further increase to \$2,000,000.

The first national bank to receive a charter from the United States under the National Currency Act of 1863 was the First National Bank of Philadelphia. It commenced business June 10, 1863, and it is borne on the roll of national banks as No. 1. The late Jay Cooke was one of the applicants for its charter and was a member of its original board of directors.

While prominence is given the above four mentioned banks in Philadelphia, by reason of their lineage and ability to stand the test of over a century of the fluctuations of industrial activities of a diversified nature, the later banks should not be lost sight of, and their position and ability is very pronounced. These latter came mainly into life after the War and when industrial conditions were greatly changed, and they have not failed to take advantage of

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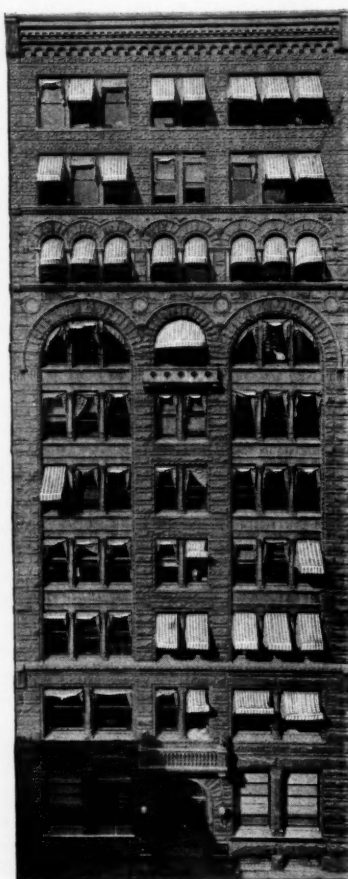
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Interest—4% from date of issue; coupons collected April 1 and October 1, by mail or through any bank

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modern ideas as to banking, and are making great progress and reaping substantial reward.

In 1858 the Philadelphia Clearing House Association was organized, being composed of seventeen banks within the city limits. The clearings for the week preceding March 28, 1858, the first of its existence, amounted to \$15,715,272, or about one half of the daily clearings at the present time. The total individual deposits of the seventeen banks March 28, 1858, were \$13,201,000; the bank deposits, \$2,945,000, and the total loans, \$21,020,198. The clearings of the Clearing House in the city of Philadelphia for the year 1904 were fourth on the list of cities in the United States, and were the largest of any year since its organization. The clearings for the first eleven months of the year 1905 exceed in volume the total clearings of the year 1904.

Comparison of the capital of the first chartered bank in the United States at its inception, with the invested capital

of the Philadelphia banks of to-day, is a reflection of the vast strides the country at large has made in its financial and industrial development. The progress of the financial institutions of Philadelphia is the progress of its varied manufacturing industries. It is the center of the textile industry of the United States, a vast army of employes being engaged in this line. Its locomotive works are a household word, not only in the United States, but all over the world; in every part of the globe the throbbing of its great engines is daily heard. The Baldwin Locomotive Works is the largest in its particular line of business in the world. It constantly employs about 17,000 men and boys, and when additions to its buildings are completed, 6,000 more men will find employment, making it one of the largest employers of labor in this country. The average capacity of its works is now ten locomotives per day, an average of one locomotive for every working hour.

The Banks of Pittsburg.

The first bank established in Pittsburg was a branch of the Bank of Pennsylvania, organized in Philadelphia March 30, 1793, with a capital of \$2,000,000, divided into 5,000 shares of a par value of \$400, with the privilege of increasing the shares to 7,500. The institution opened for business January 9, 1794, and the Pittsburg branch was started in the latter part of 1803. Previous to that time the merchants in the vicinity of Pittsburg effected their exchanges through Philadelphia, assisted by a few local brokers. In 1818 the parent bank suspended, and about the same time the Pittsburg branch was discontinued. In February, 1810, the Bank of Pittsburg was organized, but it met with adverse legislation and experienced considerable difficulty in doing business. On June 12, 1812, the name of the bank was changed to the Pittsburg Manufacturing Company, and it proceeded to do business. About that time the stockholders and directors of the institution presented a memorial to the Legislature advocating the necessity of proper legislation to enable their bank, and others that would subsequently follow, to do business. This memorial is one of the most important of the historic papers of the State of Pennsylvania, and the favorable action by the Legislature was highly commended at that time. On May 17, 1814, the bank again became known as the Bank of Pittsburg, and continued to operate under a State charter until 1899, when it became a national bank, known as the Bank of Pittsburg National Association.

The third bank organized was the Farmers and Mechanics' Bank, chartered in 1814, but it discontinued in 1818. In 1817 a branch of the United States Bank was established, and in the same year the City Bank of Pittsburg was founded. In 1822 Nathaniel Holmes established a private bank, which was continued until July, 1905, when it was merged into the Union National Bank of this city. The Pittsburg Savings Fund Company was the next financial institution. It organized in 1832, but did not incorporate until 1834, and on March 19, 1841, it changed its name to the Farmers' Deposit Bank. In 1833 the Merchants and Manufacturers' Bank came into existence, and it was subsequently changed to the Merchants and Manufacturers' National Bank. In 1836 the Exchange Bank was chartered, and afterwards changed to the Exchange National Bank. It is still in existence.

During the panic of 1837 Pittsburg, like many other places, was financially depressed. The Board of Trade appointed a committee to investigate the cause of the depression, and in its report to the parent body partially attributed the financial stringency to the fact that the capital of the banks of Pittsburg was less than \$4,000,000, while its annual business amounted to \$45,000,000. In October, 1840,

the average deposits of the five chartered banks was only about \$228,000. In 1853 the number of banks had increased to seven, and their names and deposits were as follows: Bank of Pittsburg, \$675,758; Merchants and Manufacturers' Bank, \$293,225; Exchange Bank, \$227,867; Farmers' Deposit Bank, \$240,300; Citizens' Deposit Bank, \$30,672; Pittsburg Trust Company, \$320,408, and Allegheny Savings Company, \$85,298. In 1861 there were 13 banks in Pittsburg, with a capital of \$5,245,200, which increased to 36 banks, with a capital of \$13,122,650, in 1870, and in 1880, while the number increased to 43, the capital only showed a gain of \$77,963 over 1870.

The growth of the banking business in Pittsburg from 1880 to November, 1905, is shown in the following statistics, compiled from figures prepared by Mr. R. J. Stoney, Jr., whose records are freely used in this article:

	No.	Capital.	Surplus and Und. Profits.	Loans.	Deposits.
Nov., 1905.....	93	\$56,738,979	\$95,440,558	\$241,402,255	\$322,116,770
May, 1905.....	95	54,977,338	93,799,815	230,226,416	322,288,324
Dec., 1904.....	93	52,923,287	89,031,328	220,080,499	302,987,849
June, 1904.....	94	53,178,963	86,959,690	219,269,054	286,525,241
Dec., 1903.....	95	53,090,222	84,077,101	218,216,831	281,165,387
June, 1903.....	90	46,866,488	68,761,587	224,857,111	284,300,001
Dec., 1902.....	83	40,599,625	52,320,940	205,157,760	259,776,378
Dec., 1901.....	73	30,019,074	36,965,740	158,699,643	224,937,485
Nov., 1900.....	62	20,937,000	22,276,584	115,892,985	175,052,009
May, 1900.....	59	19,206,490	20,289,744	105,087,078	166,851,587
Nov., 1896.....	57	18,614,800	14,849,121	60,514,600	79,391,091
Nov., 1893.....	54	15,508,520	12,509,424	49,414,728	67,701,901
May, 1892.....	49	15,420,287	10,398,015	57,477,720	73,952,752
May, 1891.....	47	15,230,750	9,186,728	55,065,751	71,302,567
May, 1880.....	43	13,200,613	3,585,115	26,155,081	33,289,306

The above table shows the wonderful progress of Pittsburg financial institutions. From 1861 the capital increased from \$5,245,200 to \$56,738,979, or 981 per cent., while the number of banks increased from 13 to 93. Surplus and undivided profits show a most remarkable growth since 1880. In that year they amounted to \$3,585,115, as compared with \$95,440,558 in November, 1905, an increase of \$91,855,447, equal to 2,562 per cent. The increase in loans from 1880 to 1905 was 823 per cent. The increase in deposits from 1880 to 1905 was equal to 867 per cent.

Investment securities, which are not shown in the above table, amounted to \$18,601,688 in 1890, as compared with \$131,468,958 to-day, showing a gain of \$112,867,270, equal to 606 per cent. In May, 1890, the total resources of the 47 banks then in Pittsburg amounted to \$97,151,316, as against \$491,490,838 in November, 1905, a gain of \$394,339,522, equal to 407 per cent.

The prodigious increase in banking is the reflection of the enormous increase in manufacturing lines, particularly in iron and steel, machinery, electrical appliances and railroad supplies, in which Pittsburg now leads the world. Besides its extensive manufacturing interests, Pittsburg is the center of the Pennsylvania bituminous coal fields and of

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NATIONAL ASSOCIATION

OLDEST BANK IN THE UNITED STATES WEST OF THE ALLEGHENY MOUNTAINS
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Assets, - \$23,000,000.00

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its large coke making districts. The monthly payroll of what is known as greater Pittsburg amounts to about \$24,000,000, or approximately \$288,000,000 per year, exclusive of salaries and wages paid by check. Pittsburg, while ranking twelfth in population, holds the fifth position among the national bank centers of the country.

The development of the national banking system in Pittsburg from 1867 to November, 1905, is shown in the following statistical table:

	No.	Capital.	Surplus and Profits.	Total Deposits.	Loans and Discounts.
Nov., 1905.....	32	\$24,500,000	\$36,920,422	\$164,575,422	\$135,005,848
Aug., 1905.....	32	23,500,000	36,386,088	164,551,191	131,243,843
March, 1905.....	31	19,500,000	32,438,128	132,779,329	114,324,652
Sept., 1904.....	31	19,500,000	32,731,014	139,385,115	113,347,005
" 1903.....	36	21,840,400	30,701,400	132,332,198	115,899,805
" 1902.....	34	18,841,240	24,547,985	129,618,800	110,743,940
" 1901.....	32	14,250,000	17,241,082	116,683,938	87,157,292
" 1900.....	32	13,350,000	14,350,062	106,414,814	79,430,277
" 1899.....	31	12,150,000	12,081,533	84,805,356	63,900,528
Oct., 1898.....	31	12,400,000	11,939,091	59,709,527	50,739,570
" 1897.....	31	12,400,000	11,768,761	51,905,870	46,299,727
" 1896.....	31	12,200,000	11,223,126	43,102,470	44,659,637
" 1895.....	31	12,116,350	10,630,670	43,782,616	44,618,100
" 1894.....	30	11,800,000	9,300,684	40,774,734	41,436,756
" 1893.....	30	11,768,690	8,761,731	34,429,694	36,713,133
" 1892.....	27	12,000,000	8,110,711	45,096,790	40,993,575
" 1891.....	27	11,000,000	7,538,253	39,042,367	38,841,552
" 1890.....	27	10,960,870	7,107,493	40,729,209	40,425,911
" 1889.....	25	10,571,700	6,442,706	38,452,522	37,530,725
" 1888.....	23	10,430,000	5,840,210	32,502,842	31,665,076
" 1887.....	23	10,180,000	5,392,703	29,842,918	31,989,826
" 1886.....	23	10,180,000	4,688,047	25,860,945	27,830,095
" 1885.....	23	10,150,000	4,353,562	23,747,538	24,871,132
" 1884.....	23	10,150,000	4,319,298	24,193,670	25,850,058
" 1883.....	23	10,150,000	3,988,681	25,861,267	26,310,512
" 1882.....	23	10,029,495	3,699,703	26,524,369	25,947,840
" 1881.....	22	9,850,000	3,932,416	23,632,228	22,384,222
" 1880.....	22	9,850,000	3,524,388	19,367,168	19,665,346
" 1875.....	23	10,350,015	3,560,699	14,321,016	18,698,885
" 1870.....	16	9,000,000	2,862,895	9,791,577	13,847,879
" 1867.....	16	9,000,000	2,234,836	9,171,206	12,293,781

The increase in the capital stock of the national banks from 1867 to 1905 was 176 per cent. The enormous increase in total deposits is especially noticeable in the statistics given. From 1867 to 1905 they expanded from \$9,170,206 to \$164,575,422, an increase of 1,695 per cent. In loans and discounts there was a gain of nearly 1,000 per cent. from 1867 to 1905 and surplus and profits increased 1,566 per cent.

The trust companies show the largest expansion of all the financial institutions, attributed to the very liberal charters under which those institutions operate. In 1890 there were but two of these institutions, with a total deposit of \$1,038,035 and total resources of \$1,848,900, while the November, 1905, statements show total deposits of \$78,360,386 and total resources of \$157,203,327.

The following table of statistics reflects the growth of this class of financial institutions from 1890 to date:

	No.	Capital.	Surplus and Und. Profits.	Loans.	Deposits.
Nov., 1905.....	39	\$27,222,779	\$50,569,872	\$65,584,124	\$78,360,386
Nov., 1904.....	37	27,516,413	47,192,207	61,770,875	79,467,949
Nov., 1903.....	36	27,331,822	45,201,343	63,205,603	62,748,026
Nov., 1902.....	24	17,114,425	20,189,086	55,106,442	62,360,551
Nov., 1901.....	17	11,237,550	10,157,756	39,018,293	46,733,634
Nov., 1900.....	9	5,125,000	2,932,819	12,568,409	17,183,664
Nov., 1896.....	6	3,072,200	772,327	2,120,024	2,967,010
Nov., 1895.....	5	2,650,000	665,646	1,444,388	2,594,317
Nov., 1893.....	5	2,536,745	396,415	1,318,628	1,744,700
May, 1890.....	2	1,000,000	97,337	616,025	1,038,035

An analysis of this table presents many interesting features. In 1890 two trust companies had surplus and undivided profits of \$97,337, while to-day the thirty nine companies have \$50,569,872. During that period there was an increase of 2,622 per cent. in capital, 10,052 per cent. in loans, 7,449 per cent. in deposits, and 8,402 per cent. in total resources. The greatest growth in number of trust companies was from 1900 to 1905, when they increased from nine to thirty-nine.

While there are twenty-five State banks in the city, their progress has not been as rapid as the other banks and trust companies. There are now only nine more banks of this class than in 1890, and the total capital is only \$1,302,350, or 38 per cent. greater. Surplus and undivided profits, however, show a gain during the past fifteen years of \$5,777,582, or 254 per cent., while deposits increased from \$29,891,464 in 1900 to \$79,180,962 in November, 1905, a gain

of 165 per cent. in fifteen years. The growth of the State banks is shown by the following figures:

	No.	Capital.	Surplus and Und. Profits.	Loans.	Deposits.
Nov., 1905.....	25	\$4,716,200	\$8,050,264	\$40,818,283	\$79,180,962
Nov., 1904.....	26	5,206,874	8,187,723	40,656,441	78,104,008
Nov., 1903.....	24	5,758,400	8,286,861	43,256,943	74,811,520
Nov., 1902.....	25	4,385,260	5,971,524	40,789,425	72,343,403
Nov., 1901.....	23	2,657,201	5,293,453	30,500,306	65,510,388
Nov., 1900.....	21	2,462,600	4,430,224	25,222,927	57,369,987
Nov., 1896.....	20	3,312,600	3,722,303	14,796,609	34,569,283
Nov., 1895.....	19	3,236,975	3,384,266	12,897,020	31,096,166
Nov., 1893.....	19	3,171,775	3,180,155	11,945,245	28,169,705
May, 1890.....	19	3,413,750	2,272,682	14,133,817	29,891,464

Allegheny County is not legally Pittsburg, but it is geographically and from a business standpoint; the progress of Pittsburg is the progress of the county. In 1861 there were no banks in the county outside of Pittsburg, but in 1870 there were seven banks, with a capital of \$985,000. In 1875 there were five banks in Allegheny City, with a combined capital of \$958,960, and outside of Pittsburg and Allegheny the total banking capital was \$160,160, represented by three banks each in Sharpsburg, Braddock and McKeesport. The present day shows eighty-seven banks, representing a capital of \$7,421,146, in the county outside of the two large cities; instead of three towns, with one bank each, there are now thirty-five towns with one or more banks.

The condition of all the banks in Allegheny County from 1880 to November, 1905, is shown in the following compilation:

	No.	Capital.	Surplus and Und. Profits.	Loans.	Deposits.
1905.....	177	\$67,457,279	\$103,460,865	\$280,684,536	\$360,437,141
1904.....	173	63,632,387	96,878,467	259,798,784	345,777,083
1903.....	174	63,586,322	91,549,287	254,862,735	301,870,518
1902.....	142	48,520,35	53,542,481	239,117,549	297,766,207
1901.....	122	35,559,914	41,299,201	182,025,849	253,130,963
1900.....	100	24,831,862	25,804,978	134,913,979	198,739,948
1899.....	91	22,292,600	19,965,789	103,439,064	158,723,222
1896.....	83	21,479,800	16,333,782	71,039,797	89,431,161
1893.....	76	20,003,520	13,932,023	58,159,619	75,311,863
1893.....	73	18,715,540	13,151,565	71,667,880	88,696,448
1892.....	68	17,744,287	11,654,725	67,059,147	83,349,428
1890.....	63	16,854,150	9,869,470	66,366,301	74,497,080
1880.....	54	14,589,099	4,847,347	28,847,056	36,415,470

The Pittsburg Clearing House Association was organized February 5, 1866, and now has 27 members, although the 173 banks in the county indirectly do business through the clearing house through its members. Transactions passing through the clearing house present substantial evidence of the general business condition of the community during the past year. Total exchanges for 1905 were \$442,842,385 greater than 1904.

Exchanges and balances by year for the past twenty-five years are shown in the following table:

	Exchanges.	Balances.
1905.....	\$2,506,069,215.96	\$490,404,222.61
1904.....	2,063,226,830.47	407,495,432.62
1903.....	2,356,875,351.36	381,598,518.34
1902.....	2,147,969,763.71	327,738,429.76
1901.....	2,047,605,967.67	375,131,282.08
1900.....	1,615,641,592.19	337,631,138.22
1899.....	1,528,478,652.51	351,099,137.06
1898.....	975,451,815.24	205,585,694.21
1897.....	819,637,017.02	177,131,743.19
1896.....	745,428,891.85	138,915,053.48
1895.....	746,110,263.85	138,357,648.76
1894.....	652,307,141.32	138,733,933.39
1893.....	665,328,769.11	104,909,912.77
1892.....	759,530,746.06	145,276,110.81
1891.....	679,062,255.80	117,048,559.87
1890.....	786,694,231.17	113,923,793.90
1889.....	654,080,350.93	111,557,719.22
1888.....	581,581,644.69	105,953,036.55
1887.....	511,011,701.38	83,685,375.25
1886.....	409,155,367.10	74,753,005.24
1885.....	356,171,592.53	73,717,695.74
1884.....	469,316,009.68	96,345,356.88
1883.....	495,653,962.43	91,807,082.38
1882.....	483,519,704.53	84,352,505.66
1881.....	389,170,379.10	78,578,625.87
1880.....	297,804,747.21	62,214,180.37

The year just closed has been prosperous in practically all lines. Iron and steel mills, steel car works, manufacturers of machinery of all description and other industries have sufficient business booked to carry them well into the third quarter of 1906. The banks will share in this prosperity. While there have been five bank failures during the past five years, the banking business of Pittsburg is so substantially grounded that the effect in each instance was extremely small. Each year strengthens Pittsburg's position as a manufacturing center, and the financial institutions are becoming stronger as the volume of business increases.

Columbia National Bank

PITTSBURGH, PA.

Capital,	-	-	\$600,000
Surplus,	-	-	\$1,000,000
Assets,	-	-	\$9,575,000



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F. A. GRIFFIN, Vice-President
T. M. JONES, Assistant Cashier

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FOURTH AVENUE AND WOOD STREET, PITTSBURG, PA.

Chicago Banks and Banking.

Clearing house returns for the year 1905 show that the volume of bank exchanges in the city of Chicago has for the first time exceeded ten thousand million dollars, indicating that the commerce of the city has multiplied over thirty-one times within exactly four decades. What this startling exhibit of material progress involves, its economic value, and the history of its development, furnish ample matter for an intensely interesting article, but the present purpose is to confine these lines specifically to a brief epitome of the banking conditions, which have contributed very largely to the result above noted. While the origin of banking in Chicago is clearly traced back to the days when the pioneer white men traded with the Indians in the early part of last century, it was not until the year 1865 that the means were employed to preserve an authentic record of the volume of business transacted as would be reflected by the aggregate of bank exchanges. With the close of that year the total had reached \$319,606,228, and formed what was then looked upon as being a most creditable showing for the young community, which numbered probably about 150,000. The progress subsequently made was of such a nature as not infrequently, to command the attention of the outside business world, for there were various recurring periods when the figures swelled to unexpected proportions and with startling rapidity.

In comparison with the bank exchanges of other cities, however, the total for many years was relatively low, as was to be expected considering that it was only in 1837 that Chicago had become incorporated as a city, and even then was but little more than a mere frontier village projected upon the extreme verge of civilization. Nevertheless, its trade was bounding forward with quickening impetus, and soon, aided by the increasing influx of settlers, the influence of new railroads and the rapidly expanding agricultural and commercial activities, it kept constantly growing in importance and strength, with a velocity which has made it unique in nineteenth-century history. In 1900 the population was found to be 1,698,575, and at the close of that year it caused little surprise when the greatly increased magnitude of its bank exchanges ran next to the highest in the Clearing House returns for the entire country, with an aggregate of \$6,799,535,598. Before that year there had been only a few periods when the annual volume of the exchanges slipped back under those preceding. The first of these was during the years 1876-8, inclusive; the next 1884-5, and the latest and longest from 1893 to 1896. Various unfortunate occurrences accounted for the early reverses, the last being so well understood it is unnecessary to enter into an explanation of its causes.

It may be stated, however, that the business interests generally in Chicago had suffered severely from the adverse effect of the national panic of 1893, but that the year 1896 had opened with some encouraging indications of a commercial revival and returning confidence which lasted until early in the last half of that ultimately disastrous year. Then local troubles broke out afresh and precipitated heavy failures in stock jobbing and the crash of an important national and several private banks. These unfortunate developments augmented the former depression, but only for a short period, and the subsequent years have regularly established gains of the most substantial kind, the greatest being that just closed with the high record total of \$10,141,765,732, an increase of 13 per cent. over 1904 and almost one and a half times more than those of 1896. Scanning the returns it is noted that bank exchanges in Chicago are almost invariably highest in the early spring and late autumn months, but those for last December have exceeded all other months in their magnitude. Forty years now have elapsed since the yearly compilation of clearing house sta-

tistics was begun, and, except those of the years 1867 to 1870 inclusive, they are as follows, viz.:

Bank Exchanges		Bank Exchanges		Bank Exchanges	
1905..	\$10,141,765,732	1892..	\$5,135,771,187	1879..	\$1,257,756,124
1904..	8,898,983,764	1891..	4,456,885,230	1878..	967,184,093
1903..	8,755,553,649	1890..	4,039,145,904	1877..	1,044,678,475
1902..	8,394,872,351	1889..	3,379,925,158	1876..	1,110,093,624
1901..	7,756,372,455	1888..	3,163,774,462	1875..	1,212,317,207
1900..	6,799,535,598	1887..	2,969,216,210	1874..	1,101,347,918
1899..	6,612,313,614	1886..	2,604,742,912	1873..	1,047,027,828
1898..	5,517,335,595	1885..	2,318,579,003	1872..	993,090,503
1897..	4,576,693,340	1884..	2,359,689,391	1871..	868,636,764
1896..	4,413,054,108	1883..	2,517,371,581	1869..	453,798,648
1895..	4,614,979,203	1882..	2,393,127,874	1865..	319,606,228
1894..	4,315,440,476	1881..	2,240,329,924		
1893..	4,676,960,968	1880..	1,725,634,894		

Such an aggregate of business for one year as that indicated by the first mentioned total of clearings is not only stupendous in itself, but remarkable inasmuch as there never before had been less speculation in the markets to bring about undue inflation. To the average man the real enormity is not readily comprehensible, although it is plain that the figures testify with convincing power to the fact that the industries and varied business interests of Chicago have progressed with unprecedented force. Some idea of the proportions attained may be had by comparison with a scale of cumulative values. For instance, by adding together the total cost of Chicago's new buildings last year, \$63,836,700; its realty transfers, \$139,601,896; live stock sales, \$302,000,000; the estimated returns of its manufacturing and wholesale trade, \$2,812,811,000; the aggregate of the nation's import and export dealings, \$2,875,000,000, and the value of all the cereals, cotton and other farm and dairy products for the entire country, \$3,944,935,140, the result arrived at is \$10,038,174,736, and there yet remains \$103,590,996 necessary to make the illustration equal the figures now representing the new height to which Chicago's commerce has ascended.

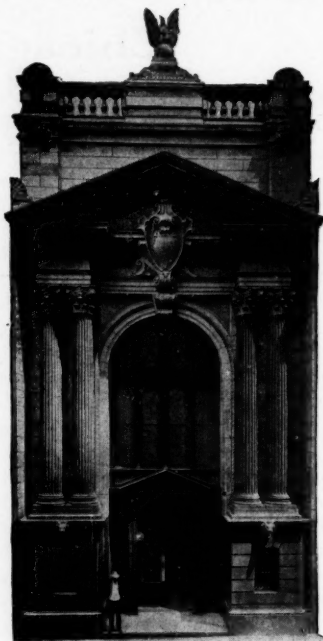
The impression conveyed by such a phenomenal record as the foregoing naturally suggests some inquiry into the conditions which created it. This would make a large and instructive subject, but it can be entered upon at this point only to the extent of determining the salient features as they have developed in the sphere of Chicago banking. Going back to the incipient period it is learned that Illinois, although not then admitted to the Union as one of the States, had in the year 1816 authorized the creation of a bank denominated the "State Bank of Illinois," under a provisional enactment which was revoked in 1819. About two years later another bank venture was launched under a special charter granted to "The President and Directors of the State Bank of Illinois." The first mentioned enterprise had been conducted by private citizens. The second was not only owned by the State, but was managed by the legislative body, and its legal life was limited to ten years. Its powers included authorized capitalization of \$500,000, branch banks within Illinois, right to issue bank bills aggregating \$300,000 bearing 2 per cent. interest and to loan them on notes and mortgages with 6 per cent. interest. The bills were printed by the bank and a legal tender for all debts of the State.

In 1835 land speculation was rampant in Illinois and Chicago men obtained the passage of "An Act to Incorporate the Subscribers to the Bank of the State of Illinois." This was a most pretentious undertaking, with authorized capital of \$1,500,000, all subscribed by individuals, except \$100,000 contributed by the State. It had the right to and did conduct six branches, together with power to issue notes equal to two and a half times the paid in capital stock. All of these enterprises proved futile, the inability to redeem obligations in specie causing their collapse and disaster throughout the community. During this period the use of money as a circulating medium was secondary to the use of scrip, the latter having grown into general practice as a result of the trading with the Indians, and such

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is a new development in financial practice. Briefly:

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Make one payment of \$502.56 cash; let it remain 20 years—then withdraw \$1,000, the value of your principal and interest.

If interested in this contract write for Booklet B 56. If you prefer the gradual payment plan write for Booklet A 56. These booklets explain the new system at length. The economy of this plan is especially marked when the contract is used to accumulate a sinking fund. A large saving is shown over the usual method. Individual Firms, Officials of Boroughs, Counties, School Districts, Corporations, etc., are invited to correspond with us upon this subject; or in regard to our service in any of the Departments mentioned above.

notes as the bank had issued being depreciated. The business demands for better monetary facilities were becoming more imperative, but in the absence of an adequate volume of specie the notes of southern banks crept into increasing use, many people from Kentucky and the South having become settlers. Fortunately no further attempts at organized banking were made and about 1844 the situation was so much better that reputable banking was supposed to have at last become established. This was a tribute to the private bankers of that period, most prominent of whom were George Smith and Alexander Mitchell and the firms of Murray & Brand and Strackan & Boyd, all being arrivals from Scotland within the previous ten years. Another house, E. & R. K. Swift, stood high and initiated bank exchanges with the Pacific coast.

In 1849 occurred the gold discoveries in California and banking in Chicago was stimulated. Two years afterwards the Illinois legislature adopted the best features of the New York banking system and the power then granted to issue notes secured by United States or State stocks and bonds scaled twenty per cent. under their market value, soon led to the opening of a number of banks with moderate capital. Unfortunately the latter, as a rule, secured but limited note issues, due to their inability to purchase the necessary securities. The result of this was a slightly increased supply of paper currency for a comparatively short period anterior to 1856, when panic and disaster overtook the entire country, and the banks that survived were few. George Smith went back to Scotland in 1857 with a fortune of \$10,000,000, his partner, Mitchell, having previously removed to Milwaukee, where the latter conducted the Wisconsin Fire and Marine Insurance Company, which did a successful banking business and was owned by these men. That institution had an agency in Chicago where most of its operations were transacted in conjunction with the Bank of America, organized by Smith under the Illinois law of 1851.

The reputation sustained by the Scottish bankers referred to was always of the highest. Smith during his career had issued his paper notes to the extent of \$1,470,000. These circulated freely in the western States and every one was redeemed at par. Between 1857 and 1863 the circulating medium in Chicago consisted mainly of the paper issued of banks beyond the jurisdiction of Illinois. When the Civil War became imminent all State bank issues were abolished by the national lawmakers at Washington, and upon their almost simultaneous presentation for redemption panic and depreciation in values spread quickly in all directions, large numbers of the Illinois institutions being entirely wiped out.

The foregoing record of organized banking in Chicago unfortunately is seen to be darkened with its repetition of failures and destruction of public confidence. Standing against it, however, there were some individual exceptions, and it may not be implied that all the banks lacked proper management or that more could have survived the unscientific and dangerous systems which had controlled them. To-day there is only one of the many former old State law creations doing business in Chicago, its original charter date being 1857, but it is among the most successful of the large number now operating under the strict conditions laid down in the Illinois law adopted by the people in 1857. When the national bank act of 1863 became effective its wise provisions opened up a new era in the business of deposit and discount, and its advantages stimulated no financial center to more prompt action than was taken in Chicago. On June 26, that year, Comptroller of the Currency Hugh McCulloch signed the first issue of permits authorizing the new institutions to begin business, among them and the eighth in order being that secured by the First National Bank of Chicago, now the largest commercial depository in the West. Other national banks were organized in due course and at the close of 1864 business generally was for the first time supported by an unquestioned currency. Being without note issues of their own the State banks had continued under disadvantages, but, while there

was a further shrinkage in their numbers, the survivors gradually worked into an easier position.

Just prior to the Chicago fire of October, 1871, there were seventeen national and ten State banks, with aggregate capital of \$12,250,000. A year thereafter, notwithstanding the destruction of the business district, bank capital had risen to \$15,000,000 and deposits to \$38,129,134. Business panic again overspread the country in 1873, and under the stress of liquidation State banks were further reduced. In 1880 conditions generally had made considerable headway, capital was more abundant and deposits advanced to \$64,764,000. The next ten years trade activity made notable progress, and increasing demands upon facilities induced augmentation of existing capital and many successful promotions of both national and State banks, money readily entering into such investment. The census of 1890 fixed the population at 1,099,800, a gain in ten years of 569,615, industry flourished and the city had undertaken the financial burden of providing for the World's Fair. To that enterprise the banks contributed money very liberally, several able representatives occupying an honorable place in the administration of its vast affairs. Even the most vigilant observer was satisfied that the general outlook portended a continuation of prosperity to commerce and finance, no warning speck having appeared in the horizon of the impending panic which was soon to break forth with great vehemence. In March, 1893, the total number of banks was 45, divided into 27 national and 18 State organizations, the former having a capital of \$23,500,000, surplus \$10,304,350 and individual profits of \$4,043,981, and the latter a capital of \$11,477,000, surplus \$4,197,500 and undivided profits of \$1,402,121. The gross deposits had maintained steady growth and exceeded \$250,000,000, the greatest up to that time, and, notwithstanding a strong demand for money, the reserves were kept intact and the banks generally stood high in popular estimation. Early in May the first shock of the panic made itself felt. The experiences during that and following months, the business failures crowding upon each other, the wild runs upon banks, the financial losses and the almost hopeless outlook need not be retold. Considering the great strain which weighed upon them it is surprising that the mortality was confined to but a few banks. The crash which happened just before the close of 1896, when the National Bank of Illinois failed with heavy deposits, was due to local causes. Since that occurrence the banking situation has been exceptionally free from complications and the conditions have operated to the advantage of the highest qualities of management and profitable returns to stockholders.

Capital, surplus, loans and deposits of the organized banks in the city of Chicago upon November 10, 1905, with totals thereof and at previous periods, also the numbers of banks reporting, are given below:

	National.	State.	Totals.
Gross resources.....	\$365,506,881	\$389,835,508	\$755,442,389
Capital stock.....	\$24,951,000	\$25,300,000	\$50,250,000
Surplus and profits.....	18,329,933	21,897,117	40,227,050
Totals.....	\$43,279,933	\$47,197,117	\$90,477,050
Loans and discounts.....	\$214,482,401	\$229,852,120	\$444,334,521
Deposits, individual.....	\$150,658,671	\$164,302,891	\$314,961,562
" banks.....	166,244,680	32,479,390	198,664,070
" savings.....	.....	145,916,110	145,916,110
Totals.....	\$316,903,351	\$342,638,391	\$659,541,742
Banks reporting.....	16	37	53

Tables printed herewith represent the progress of the past ten years:

	Nov. 10, 1905.	Feb. 14, 1900.	Dec. 11, 1895.
Gross resources.....	\$755,442,389	\$396,917,962	\$257,702,984
Capital stock.....	\$50,250,000	\$30,221,000	\$34,077,000
Surplus and profits.....	40,227,050	22,652,210	20,958,132
Totals.....	\$90,477,050	\$52,874,210	\$55,035,132
Loans and discounts.....	\$444,334,521	\$214,829,097	\$160,025,748
Deposits, individual.....	\$314,961,562	\$177,144,677	\$119,340,610
" Banks.....	198,664,070	118,151,242	75,336,748
" Savings.....	145,916,110	47,402,508	22,755,124
Totals.....	\$659,541,742	\$342,968,527	\$217,432,482
Banks reporting.....	53	35	43

That period opened with banking resources considerably shrunken as the direct result of the hard times which started in 1893. Early in 1900 rapid recovery in business was in evidence, and the statements of February 14 that year emphasize the extent to which resources had advanced in less than five years. The figures of November 9, 1905,

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CORWIN H. SPENCER, Vice-President

WILLIAM MAFFITT, Treasurer

LORENZO E. ANDERSON, Vice-President

JOHN H. KRUSE, Assistant Treasurer

GEO. W. WILSON, Vice-President

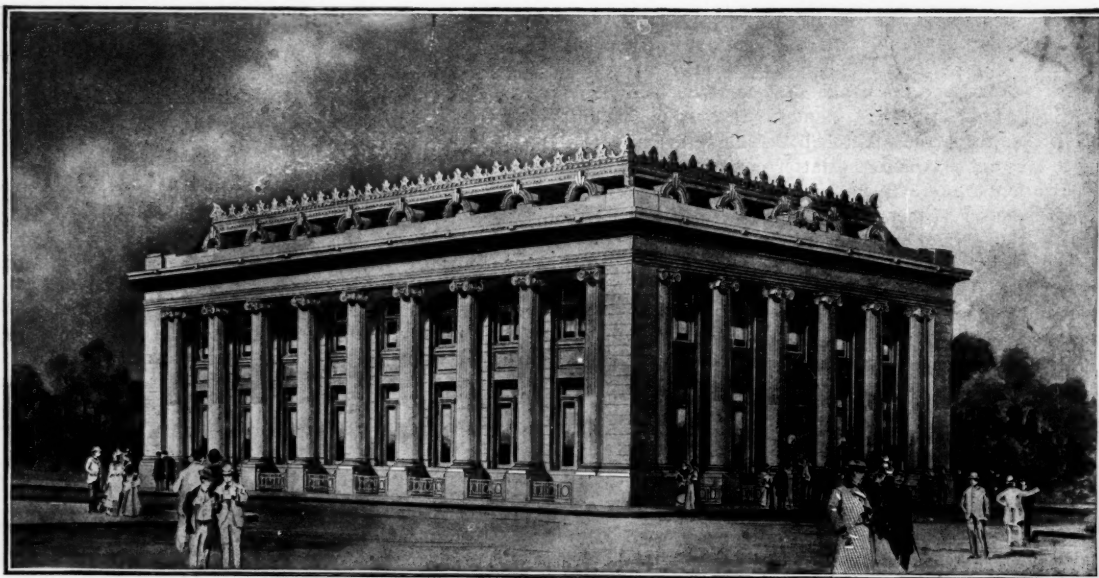
EDWARD BUDER, Assistant Treasurer

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are based upon the latest official statements issued. Totals of the principal items for the three periods are given separately in the second table.

The condition of the national and State banks is further shown below:

NATIONAL BANKS—RESOURCES.			
	Nov. 9, 1905.	Feb. 13, 1900.	Dec. 13, 1895.
Loans and discounts.....	\$214,442,401	\$127,210,574	\$91,792,937
Bonds and stocks.....	23,522,255	16,833,578	8,011,320
Specie.....	40,797,435	23,374,793	19,193,718
Other cash and treasury credits..	20,057,981	17,840,740	9,202,930
Individual deposits.....	51,511,561	41,082,733	20,663,070
Checks for Clearing House.....	13,345,569	11,018,214	5,721,161
Miscellaneous.....	1,888,881	1,126,478	638,600
Totals.....	\$365,606,083	\$238,487,110	\$155,223,736
NATIONAL BANKS—LIABILITIES.			
	Nov. 9, 1905.	Feb. 13, 1900.	Dec. 13, 1895.
Capital stock.....	\$24,950,000	\$18,600,000	\$21,800,000
Surplus and profits.....	18,329,733	13,100,489	12,702,730
Savings deposits.....	150,658,671	101,547,458	66,881,767
Due to banks.....	166,244,680	104,163,938	52,581,624
Circulation.....	5,423,719	1,075,225	1,287,615
Totals.....	\$365,606,083	\$238,487,110	\$155,223,736
STATE BANKS—RESOURCES.			
	Nov. 10, 1905.	Feb. 14, 1900.	Dec. 11, 1895.
Loans and discounts.....	\$229,852,120	\$87,618,523	\$68,232,811
Bonds and stocks.....	68,305,634	22,517,277	7,852,769
Specie.....	31,831,285	19,580,712	11,228,728
Other cash & treasury credits.....	46,771,713	22,415,550	11,883,223
Due from banks.....	9,935,665	4,360,767	2,733,747
Checks from Clearing House.....	3,139,093	1,938,023	557,970
Miscellaneous.....			
Totals.....	\$389,835,508	\$158,430,852	\$102,479,248

STATE BANKS—LIABILITIES.

	Nov. 10, 1905.	Feb. 14, 1900.	Dec. 11, 1895.
Capital stock.....	\$25,300,000	\$11,822,000	\$12,277,000
Surplus and profits.....	21,897,117	9,551,721	8,265,402
Individual deposits.....	164,302,891	75,867,219	52,458,843
Savings deposits.....	145,916,110	47,402,508	22,755,124
Due to banks.....	32,419,390	13,987,404	6,732,879
Circulation.....			
Totals.....	\$389,835,508	\$158,430,852	\$102,479,248

These tables have been condensed as much as possible without sacrificing essentials, and it will be found upon comparing the present with the past that the banks of Chicago have grown in strength to an unusual degree. Some decrease in the number of national concerns appears, this being due to the fact that a number were merged into larger banks. On the other hand, there are striking results apparent in all the other items. Some of the gains of the ten years are: Gross resources, \$497,739,415; capital, surplus and profits, \$35,441,918; all deposits, \$442,109,260; savings deposits, \$123,160,986; and loans and discounts \$234,308,773. Such gratifying testimony to the great progress which has been accomplished by the Chicago banks within the past decade as the foregoing exhibit provides not only accentuates the confidence which is felt in their integrity, but clearly demonstrated the exceptional growth which the city enjoys in both its wealth and business interests.

Growth of St. Louis Banks.

The operations of the banks of St. Louis show a very steady and consistent growth of capital, deposits and earnings and through all the past ten years a constant adherence to a safe ratio between capital and deposits, with an avoidance of speculative financial operations, indicated by the lack of violent fluctuations in the loans and earnings. Capital and surplus remained practically the same in 1895 and 1896, but were reduced slightly in 1897 and 1898. From the latter year there was a steady gain in those items, so that the figures which were then \$22,895,659 increased two and a half times fully, mounting up to \$58,315,580 in 1904, and as shown by the returns of November 9 last were only a few millions under that high total. In the matter of deposits the increasing wealth of this important center finds exemplification in the steady progress that has occurred since 1895, when the total amount of deposits was only \$68,141,388, while on November 9 last it was \$202,226,065, an increase in the ten years of \$134,084,677, representing an average increase of over \$13,000,000 a year. The greatest gain, however, was that of 1904 over 1903, the amount reaching the phenomenal total of \$51,000,000. The figures of 1905 represent a slight falling off from 1904, as might be expected when the remarkable amount of the 1904 deposits is considered. The steady gain in the latter was naturally reflected in the greatly increased loaning power of the banks, the total loans on November 9 of this year standing at \$159,095,537, the largest aggregate in the history of St. Louis, and an advance of over \$96,000,000 from 1896, when they were at their lowest point. Conservatism has marked the policy of the banks in the matter of loans, as is apparent by a comparison of the gains in deposits compared with loans; for instance in the year of greatest increase of deposits, 1904, the gain in loans was only half as much, and with an average increase in deposits for the ten years of over \$13,000,000, the average gain in loans was \$9,500,000. The cash resources of the banks in 1895 were \$22,842,742, while in 1905 they were \$73,811,659, an increase of over \$50,000,000, or an average of \$5,000,000 a year. The greatest gain, however, was that of 1904 over 1903—\$33,500,000, the next largest being \$11,000,000 in 1900 over 1899. The heavy advances in all the banking items of 1904 over 1903 were to some extent due to the natural recovery from the industrial depression of the latter year, as well as to the influx of capital resulting from the World's Fair, but allowing

for these special conditions, much of it was the result of the steady growth of business and enterprise.

The figures for the banks compare as follows for different years:

	No. of Banks.	Capital and Surplus.	Deposits.	Loans.	Cash.
1905.....	25	\$54,384,229	\$202,226,065	\$159,095,537	\$73,811,659
1904.....	25	58,315,580	208,007,342	146,703,734	87,534,847
1903.....	22	42,323,653	157,258,110	124,221,594	54,025,899
1902.....	20	40,469,948	148,384,695	121,864,479	50,628,921
1901.....	19	30,059,963	139,749,918	108,474,624	48,622,745
1900.....	19	27,222,878	120,947,832	85,960,533	47,270,554
1899.....	19	26,633,000	104,002,785	94,781,620	36,236,995
1898.....	21	23,287,080	95,411,575	81,420,074	38,354,105
1897.....	21	22,895,659	85,115,972	72,363,566	35,205,987
1896.....	25	24,383,741	69,081,559	62,346,368	30,251,236
1895.....	25	24,171,276	68,141,388	67,810,170	22,842,742

* Including one Trust Company. † As of November 9th.

Figures of trust company operations are not so readily available as those of the banks, but such as are obtainable show how greatly this branch of the banking business progressed. The figures of 1904 and 1905 make poorer comparison with 1903, because in the two first named years there is a lessened number of companies, so that the best comparison is between that of 1903 and previous years, particularly 1902, when the number of companies was the same in each year. The gain in capital and surplus in the former over the latter year was \$24,300,000, and deposits increased at the same time \$8,500,000. Averaging this year's capital and surplus for the five companies included in the year's statement the amount is \$5,885,000, while in 1903 the average of the ten companies was \$4,468,000. Deposits, however, show an even greater average in 1905, the amount being over \$10,000,000, while in 1903 it was practically \$7,000,000. Going back to 1895, there were four companies with a capital and surplus of \$6,226,188, while five companies in 1905 had \$29,426,989. In 1905 deposits were \$54,789,993, as against \$8,260,177 in 1895. The trust company figures compare as follows:

	No. of Trust Co's	Capital and Surplus.	Deposits.	Loans.	Cash.
1905.....	5	\$29,426,989	\$54,789,993		
1904.....	4	27,274,474	61,077,349		
1903.....	10	44,685,759	69,678,930		
1902.....	10	20,365,800	61,137,512		
1901.....	8	29,278,007	54,122,873		
1900.....	5	15,062,680	35,106,580		
1899.....	4	10,499,764	31,678,761		
1898.....	4	9,255,855	19,038,562		
1897.....	4	8,320,017	14,054,749		
1896.....	4	6,585,415	8,993,570	\$11,797,942	\$3,946,119
1895.....	4	6,226,188	8,260,177	11,884,751	3,280,433

* Not in bank statement.

The tremendous increase in the business of St. Louis is reflected in the showing made in bank clearings, which in 1896 were \$1,158,602,359, a falling off of \$85,721,293



Mississippi Valley Trust Co.

NORTHWEST CORNER FOURTH AND PINE STREETS, ST. LOUIS

Capital, Surplus and Profits, \$8 500,000

The Business of this Company is conducted in five departments, as follows

- (1) **FINANCIAL OR MONEY DEPOSIT**—Receives deposits on time, saving and checking accounts and pays interest thereon; makes loans on St. Louis city real estate and listed high-grade securities; buys and sells domestic and foreign exchange; issues its own letters of credit available everywhere
- (2) **TRUST OR FIDUCIARY**—Executes all manner of Trusts; acts, under authority of the law, as executor, administrator, trustee, guardian, curator, register and transfer agent of bonds and stocks, receiver and financial agent for non-residents and others; becomes sole surety on bonds required by law to be given
- (3) **BOND OR INVESTMENT**—Buys and sells selected high-grade investment securities. List of bonds for sale on application. Commission orders at usual rates, executed with promptness
- (4) **REAL ESTATE**—Manages, buys, sells, rents and appraises St. Louis city real estate; pays taxes, places insurance, collects rents
- (5) **SAFE DEPOSIT OR STORAGE VAULTS**—Rents safe deposit boxes in fire, burglar and mob proof vault at \$5 and upwards per annum; stores, at special rates, trunks and boxes containing silverware and other bulky valuables

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BRECKINRIDGE JONES, Vice-President and Counsel
JOHN D. DAVIS, Vice-President
SAMUEL E. HOFFMAN, Vice-President
JAMES E. BROCK, Secretary
HUGH R. LYLE, Assistant Secretary

JOHN I. BEGGS, President { United Railways Co. of St. Louis
Union Electric Light & Power Co.
Laclede Gas Light Co.
WILBUR F. BOYLE, Boyle & Priest
JAMES E. BROCK, Secretary
MURRAY CARLETON, President Carleton Dry Goods Co.
CHARLES CLARK
HORATIO N. DAVIS, President Smith & Davis Mfg. Co.
JOHN D. DAVIS, Vice-President
HARRISON I. DRUMMOND, President Drummond Realty and Investment Co.
AUGUSTE B. EWING
DAVID R. FRANCIS, President D. R. Francis & Bro. Commission Co.
AUGUST GEHNER, President German-American Bank

ALL BUSINESS STRICTLY CONFIDENTIAL

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FREDERICK VIERLING, Trust Officer
HENRY SEMPLE AMES, Assistant Trust Officer
WILLIAM G. LACKEY, Bond Officer
TOM W. BENNETT, Real Estate Officer
Wm. MCC. MARTIN, Safe Deposit Officer

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CHAS. H. HUTTIG, President Third National Bank
BRECKINRIDGE JONES, Vice-President and Counsel
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SAUNDERS NORVELL, President Norvell-Shapleigh Hardware Co.
ROBERT J. O'REILLY, M. D.
WM. D. ORTHWEIN, President Wm. D. Orthwein Grain Co.
H. CLAY PIERCE, Chairman Board Waters-Pierce Oil Co.
JOSEPH RAMSEY JR.
ROBERT H. STOCKTON, President Majestic Mfg. Co.
JULIUS S. WALSH, President
ROLLA WELLS, Mayor of City of St. Louis

from 1895, while in 1905 they were \$2,899,798,979, an increase of \$1,655,475,327 over 1895. The greatest gain, however, was in 1901, when the total for that year improved \$581,830,722 over 1900. Except in 1896, no year has shown a decrease from the preceding year, even in 1903, a year of depression, a gain being shown.

Bank clearings for eleven years are compared below:

CLEARINGS.		
	No. of Banks.	
1905.....	25	\$2,899,798,979
1904.....	25	2,798,233,918
1903.....	22	2,510,479,245
1902.....	20	2,506,804,320
1901.....	19	2,270,680,216
1900.....	19	1,688,849,494
1899.....	19	1,638,348,203
1898.....	21	1,455,462,062
1897.....	21	1,366,703,956
1896.....	25	1,158,602,359
1895.....	25	1,244,323,652
*Including one Trust Company.		

Increase	\$106,565,061
Increase	282,754,673
Increase	8,674,925
Increase	236,124,104
Increase	581,830,722
Increase	50,501,291
Increase	182,886,141
Increase	88,758,106
Increase	208,101,597
Decrease	85,721,298

The rapid growth shown in the foregoing figures reflects very accurately the steady increase of the business of St. Louis, both mercantile and manufacturing, and also the development of the South, the West and the Southwest, the trade territory of the city. During the past ten years this part of the United States has been built up very rapidly. The railroad building in this section has been more than one-half of all the railway building done in the whole of the United States. The demand of this new territory upon St. Louis accounts not only for the excellent statement of the financial institutions but also for the increase of \$73,312,719 of value of manufactured product, or 37.9-10 per cent. shown by the Government census of August over the value given by the census of 1900 and for the regular increase each year in the amount of business by the jobbers of St. Louis.

The Banks of Cleveland.

The history of banking in Cleveland dates back practically a century to the formation of the Commercial Bank of Lake Erie, which failed in 1820 because Cleveland was too sparsely settled to maintain it, according to authentic chroniclers. It was reorganized again in 1832, but its existence came to an end in 1842, through the expiration of its charter, the Legislature refusing to continue all expired charters. A new charter was secured in 1844, and the bank began business again with a capital of \$500,000. During the existence of this early bank Cleveland could hardly be called much more than a village, with its sparsely settled population. Its first newspaper was issued in 1822, while four years earlier the first steamboat reached its shores. Railroads and telegraphs still lay in the future.

In later years, the founding of the City Bank marked the definite progress of Cleveland. This bank secured its charter in 1845, although it had originally been conducted as an insurance company, with some of the functions of a bank. Its name was changed to the National City Bank in 1865, and in 1885 it renewed its charter under the same name it now holds. The Merchants' Bank, which began business in 1845, became the Merchants' National Bank in 1864, and in 1884 the Mercantile National Bank, which name was changed again to the present title of the National Commercial Bank. The Bank of Commerce was granted a charter in 1845, but was not established until 1853. It became the Second National Bank in 1863 and is now the Bank of Commerce National Association. The First National Bank was organized May, 1863, the Citizens' Savings & Loan Company in 1865, and a few years ago was merged with the Savings & Trust Company, forming the Citizens' Savings & Trust Company. The People's Savings & Loan Company was the original West Side Bank, and was founded in 1869. The city's situation is one that makes it an important center for manufacture and industrial enterprises, while its railroads tap ore and coal fields and its shipping facilities make it an excellent point of distribution to all parts of the country. While a comparison of earlier years might be interesting, the rapid growth in the present decade affords sufficient idea of Cleveland's advance as a banking center. The bank figures compare as follows:

BANKS.				
	Capital.	Surplus.	Discounts.	Deposits.
1905.....	\$9,400,000	\$4,796,533	\$54,178,634	\$56,954,922
1904.....	10,300,000	4,397,471	49,333,944	55,073,304
1903.....	11,900,000	4,988,633	52,810,476	50,852,618
1902.....	12,400,000	4,887,370	51,669,380	51,977,955
1901.....	11,077,440	4,891,860	50,991,124	48,776,464
1900.....	10,400,000	3,569,604	45,017,734	49,733,883
1899.....	9,900,000	3,312,313	41,275,558	44,938,692
1898.....	9,400,000	2,866,769	31,876,768	34,852,235
1897.....	9,550,000	2,874,724	29,759,377	29,833,891
1896.....	9,550,000	2,856,612	28,088,344	21,274,474
1895.....	9,550,000	2,699,769	27,710,654	24,391,423

Deposits were at their lowest point in the period under consideration in 1896, when they stood at \$21,224,274, a falling off of more than \$3,000,000 from the previous year. From that year, however, until 1901, no decrease was shown. By 1900 deposits had more than doubled since 1895,

aggregating in the first named year \$49,733,863. In 1901 they receded \$1,000,000 from this total, but 1902 gained over \$3,000,000 to \$51,977,055. The depression of 1903 was effective in reducing them slightly, but in 1904 a gain of nearly \$5,000,000 was recorded and close to \$2,000,000 more this year. Reserve has kept well its proper proportion to deposits during the ten years. The largest reserve held was in 1900, when the total was \$12,786,250, an increase of more than \$7,500,000 over the figures of 1896, the lowest point. In 1903 reserve stood at \$12,372,562 and on November 9th last at \$1,045,977. Loans are now at their highest point in the history of the banks, standing at \$54,178,634, an increase of nearly \$5,000,000 over 1904, when they were \$49,333,904. In 1903, 1902 and 1901, loans were slightly in excess of these latter figures and changed but little in either year. In the last named year, however, they had increased nearly \$6,000,000 over 1900, loans in that year being also in excess of the previous year by close to \$4,000,000. The greatest increase in any year was \$10,000,000 in 1899, over the showing of 1898. Surplus reserve has been steadily maintained.

The trust company operations in Cleveland are of gigantic proportions, exceeding those of the banks, almost three to one in the matter of loans and deposits. The latter are now at the highest point in the history of the trust companies, having increased from \$49,029,236 in 1895, to \$162,936,060 in 1905; loans in the same time have risen from \$49,071,259 to \$155,865,899, a record amount. Surplus now stands at \$10,501,240, also a high point as against \$4,054,877 ten years ago. Reserve figures are \$23,122,141, slightly smaller than a year ago, but above any other year since 1895. Capital is \$11,136,213, figures slightly below 1903, 1902 and 1901, but in excess of the other years in the past ten.

The rapid growth of the trust companies is shown in the following comparison:

TRUST COMPANIES.				
	Capital.	Surplus.	Discounts.	Deposits.
1905.....	\$11,136,213	\$10,501,240	\$155,865,899	\$162,936,060
1904.....	10,732,913	9,371,074	131,034,783	139,904,246
1903.....	13,147,988	9,199,309	131,032,561	134,340,931
1902.....	12,448,800	9,479,303	124,275,891	128,029,783
1901.....	12,120,350	8,526,468	115,008,289	116,351,170
1900.....	7,725,000	5,897,276	88,738,819	96,355,746
1899.....	6,365,000	5,201,483	78,849,372	82,838,332
1898.....	5,939,000	4,859,450	62,773,586	66,628,527
1897.....	5,835,000	4,725,022	54,984,085	57,398,499
1896.....	5,835,300	4,391,307	51,618,619	50,933,560
1895.....	5,078,900	4,054,877	49,071,259	49,029,236

BANK CLEARINGS.		
*1905.....	\$704,711,773	Inc. \$10,618,924
1904.....	694,092,849	Dec. 108,106,782
1903.....	802,198,631	Inc. 39,594,445
1902.....	762,604,186	Inc. 59,604,186
1901.....	708,000,000	Inc. 137,000,000
1900.....	569,000,000	Inc. 47,000,000
1899.....	519,000,000	Inc. 130,000,000
1898.....	389,000,000	Inc. 72,000,000
1897.....	317,000,000	Inc. 18,000,000
1896.....	299,000,000	.....
1895.....	299,000,000	.....

*Eleven months.

Figures compiled covering the business done by the savings banks for the past nine years show that on October 5, 1896, deposits in savings institutions amounted to \$50,933,560; at this time they are \$162,936,060, an average growth of \$12,333,000 per year.

3rd NATIONAL OF ST. LOUIS BANK

CAPITAL	-	-	\$2,000,000
SURPLUS,	-	-	1,900,000
DEPOSITS	-	-	26,000,000

OFFICERS.

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W. B. WELLS, Vice-President G. W. GALBREATH, Cashier

J. R. COOKE, Asst. Cashier J. A. P. COOK, Asst. Cashier

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Accounts of Banks Solicited

THE BANKS OF DETROIT.

Years of uninterrupted prosperity are revealed by the records of the Detroit banks and trust companies and these records speak eloquently of careful and conservative management of the banks. And yet, as the figures will show, this conservatism has not been at the expense of progress. The total capital stock and surplus of national and State banks and trust companies of the city is now \$13,833,500. The total deposits November 9th, 1905, were \$86,543,469 and the total resources \$100,376,909. Loans and discounts amounted to \$53,353,337, and the total amount of bonds, mortgages and other securities held by the State banks and trust companies was \$37,316,687.

For some years back the banking interests of the city have expanded with the marvelous growth of its business affairs. There has been a steady increase in the loans and discounts and a corresponding increase in deposits, with a gratifying augmentation of surplus and undivided profits. In five years the loans and discounts have increased \$9,566,751, deposits \$15,724,284, and capital \$1,750,000, and the surplus has jumped from \$1,465,000 to \$4,111,500, an increase of \$2,646,400.

This growth has been gradual and steady and is fully warranted by the commercial and financial conditions of the city. It is only in proportion to the industrial and commercial development of the city. As an instance of the truth of this assertion, it can be stated that 319 new companies were incorporated in Detroit in 1905, with over \$63,000,000 capital. Building permits during the year of 1905 show the enormous increase of 60 per cent., while during the same period building liens increased only 5 per cent. The year 1905 proved the banner year for the banks, for the loan item was \$55,214,774, showing an increase over 1904 of \$7,373,424; capital account \$9,400,000, an increase of \$300,000, and the surplus \$11,493,500, an increase of \$7,382,000. The commercial and savings deposits now amount to \$80,214,875. Including the amounts due other banks and bankers, and the United States deposits, this last item would be increased to \$95,108,126.

The comparative statement of the condition of the twelve savings and five national banks and two trust companies from 1900 to 1905 is given as follows:

Year.	Loans and Discounts.	Capital.	Surplus.	Undivided Profits.	Deposits.
1905...	\$53,214,774	\$9,400,000	\$11,493,500	\$2,069,663	\$80,214,875
1904..	45,841,350	9,100,000	4,111,500	1,683,230	73,430,156
1903..	45,024,688	9,100,000	3,685,500	1,859,836	74,837,312
1902..	42,569,024	7,900,000	3,224,000	1,515,055	73,783,049
1901..	40,671,704	7,900,000	2,098,550	1,646,191	70,922,559
1900..	36,274,599	7,350,000	1,465,100	1,396,298	62,705,872

For the year just closing the total bank clearings at Detroit were \$597,642,312, being an increase of \$72,280,607 over the year 1904. The clearings for the last six years have been as follows:

	Increase.		Increase.
1905....	\$597,642,312	1902....	\$536,613,652
1904....	525,313,705	1901....	575,485,647
1903....	522,860,978	1900....	427,800,392

* Decrease.

To those accustomed to eastern trust company methods of doing business, the Detroit figures would be misleading. Under the law of Michigan, the trust companies—while under the jurisdiction of the Banking Department, because of their authorization to receive deposits as trust funds—are not allowed to do a general banking business, and are not allowed to receive commercial deposits subject to check. In other words, the trust companies of Michigan confine themselves strictly to a trust business, hence nothing can be judged of their business from the deposit account.

There are two trust companies in Detroit, the Union Trust Company and the Detroit Trust Company. The Union Trust Company had at the last published statement, at the close of business, November 9, 1905, \$4,527,733 out on time collateral loans, and \$969,294 on collateral loans on demand. Its capital was \$500,000, surplus \$300,000, and undivided profits, \$163,085, net.

The total assets of the Union Trust Co. by years are as follows:

Dec. 31, 1892.....	\$308,432.19	Dec. 30, 1899.....	\$3,845,317.95
Dec. 30, 1893.....	774,015.80	Dec. 31, 1900.....	4,084,947.30
Dec. 31, 1894.....	883,116.05	Dec. 31, 1901.....	4,647,335.34
Dec. 31, 1895.....	800,102.64	Dec. 31, 1902.....	7,060,889.72
Dec. 31, 1896.....	1,328,801.51	Dec. 31, 1903.....	7,375,944.39
Dec. 31, 1897.....	1,670,268.46	Dec. 30, 1904.....	7,757,925.04
Dec. 31, 1898.....	2,827,948.02	Dec. 30, 1905.....	9,407,502.04

The year 1905 with all its prosperity bids fair to be surpassed by the year 1906, which has started out with wonderful energy, and the business booked by all local factories shows a marked increase for the first six months over the corresponding period last year.

RAILROAD RECEIVERSHIPS.

Railroad receiverships for the year 1905 were few and unimportant until December, when the Cincinnati, Hamilton & Dayton system was forced into bankruptcy through speculative activity. This action was a great surprise to the community and has been the subject of much discussion. If it is excluded from the list of railroad defaults of the last year the mileage of all roads that did fail would amount to only 529 miles, and the amount of stock and bonded indebtedness \$24,600,000. In the past thirty years there are only four years in which railroad defaults were fewer in number and for a smaller amount than these figures. Including the Cincinnati, Hamilton & Dayton system, the total mileage of railroads that were forced into the hands of receivers last year is given by the *Railway Age* of Chicago as 3,593 miles, and the total stock and bonded indebtedness \$176,321,000. There are ten roads included in the list as follows:

Roads.	Miles.	Bonds.	Stocks.
Ohio River & Western.....	111	\$600,000	\$1,200,000
Phillips & Rangeley (2 feet).....	29	200,000	100,000
Warren & Corsicana Pacific (3 feet).....	19		100,000
Pontiac, Oxford & Northern.....	100	400,000	1,000,000
Pittsburg, Shawmut & Northern.....	167	6,585,000	11,700,000
Wisconsin, Waterville & Farmington (2 feet).....	57	671,000	244,000
Arizona & Utah.....	24	334,000	467,000
Toluca, Marquette & Northern.....	22	850,000	150,000
Cincinnati, Hamilton & Dayton.....	1,003	53,438,000	16,000,000
Pere Marquette.....	2,061	54,284,000	28,000,000
Total, ten roads.....	3,593	\$117,380,000	\$58,961,000
Total bonds and stock.....			176,321,000

A receiver was also appointed for the Port Angeles, for which about six miles were graded in 1903.

The following is a summary of the receiverships established in the last thirty years, since *The Railway Age* began to keep the record:

	Number of Roads.	Miles.	Bonds and Stocks.
1876.....	42	6,662	\$467,000,000
1877.....	38	3,637	220,294,000
1878.....	27	2,320	92,385,000
1879.....	12	1,102	39,387,000
1880.....	13	885	140,265,000
1881.....	5	110	3,742,000
1882.....	12	912	39,074,000
1883.....	11	1,990	108,470,000
1884.....	37	11,038	714,765,000
1885.....	44	8,386	385,460,000
1886.....	13	1,799	70,346,000
1887.....	9	1,046	90,318,000
1888.....	22	3,270	186,814,000
1889.....	22	3,803	99,664,000
1890.....	26	2,968	105,307,000
1891.....	26	2,189	84,479,000
1892.....	36	10,502	357,692,000
1893.....	74	29,340	1,781,048,000
1894.....	38	7,025	395,791,000
1895.....	31	4,089	389,075,000
1896.....	34	5,441	275,697,000
1897.....	18	1,537	92,909,000
1898.....	18	2,063	138,701,000
1899.....	10	1,019	52,485,000
1900.....	16	1,185	78,231,000
1901.....	4	73	1,427,000
1902.....	5	278	5,835,000
1903.....	9	229	18,813,000
1904.....	8	744	36,089,000
1905.....	10	3,593	176,321,000
Total in 30 years.....	670	119,192	\$6,827,445,000

The Railway Age also publishes the following list of railroad foreclosure sales in 1905:

Roads.	Miles.	Bonds.	Stock.
Queen Anne's.....	78	\$1,735,000	\$805,000
Detroit Southern.....	392	9,225,000	1,700,000
Farmville & Powhattan (3 feet).....	92	820,000	961,000
Manistique, Marquette & Northern.....	53	1,100,000	2,000,000
Carolina Northern.....	40	500,000	500,000
Arizona & Utah.....	24	334,000	467,000
Total, 6 roads.....	679	\$13,774,000	\$6,533,000
Total bonds and stock.....			20,307,000

The foreclosure sales were the smallest in number of roads, the smallest in mileage, with two exceptions, and the smallest in capital involved, with one exception, in all the thirty years during which this record has been kept.

H. P. McINTOSH, President.

GEO. A. GARRETSON, 1st Vice-President.

J. ARTHUR HOUSE, Asst. Sec'y.

JOHN H. FARLEY, 2d Vice-President.

GEO. F. HART, Asst. Treas.

CHAS. L. MOSHER, Sec'y-Treas.

JAS. A. MATHEWS, Asst. Treas.

THE

GUARDIAN SAVINGS AND TRUST COMPANY

CLEVELAND, OHIO

Capital Paid in, \$1,000,000.00

Surplus and Profits, \$950,000.00

Deposits, \$11,000,000.00

Surplus funds of Banks, Corporations and Individuals
received and interest paid upon same:

4% on Savings Accounts.

2% on Checking Accounts.

Authorized and prepared to act in every legitimate trust capacity.

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M. A. MARKS

JOHN F. WHITELAW

JOHN H. FARLEY

E. W. OGLEBAY

GEO. H. WORTHINGTON

DRY GOODS AND WOOLENS.

Market conditions have improved slightly during the week and the further the seller gets away from the stock taking period the more likely is he to experience satisfactory business. Buyers are comparatively few as yet and their operations are not large or numerous, but in spite of this fact the outlook is of an improved nature. There have been reports of slight concessions in one or two directions, but no further indication of lower prices appears. The lately published ginners' report giving an aggregate of 9,721,000 bales ginned to January 1st is generally regarded as a bullish factor and its influence on raw material has been patent. There are few, if any, lines which are suffering from want of business, and many are sold ahead to such a degree that continued apathy on the part of the buyer can make little or no difference. Undoubtedly conditions are such as to cause the latter to proceed cautiously, and, although his stocks are generally in excellent condition, on a few lines he has sufficient to last him for some time to come; therefore, in view of the uncertainty of the conditions he is willing to run the risk of paying higher prices, if necessary, when the necessity for purchasing arrives. In woolen goods the market shows comparatively little change, save that additional lines are being opened for the next heavy weight season, while on all the better grades of goods it is very evident that the strong position of the wool market is to have a most decided effect on prices. Men's wear agents are in full belief of an increase in trading when the market is fully opened, and it is reported that already a very considerable share of certain lines has been taken by buyers at the advance. On dress goods the tendency seems to be somewhat in favor of wool fabrics, which have been discriminated against in favor of worsted fabrics during the last two seasons at least as very little trade has been accomplished on this class of fabric. The outlook for fall is generally propitious and business has already been taken on certain goods, which shows a willingness on the part of buyers to operate when they recognize the intrinsic merits or salability of a fabric. Duplicates are being received to a certain extent on spring goods, but the jobber has not done sufficient advance business to make it possible for an extensive duplicate trade as yet.

COTTON GOODS.

During the last few days an improvement has been witnessed in the cotton goods market, and the prospect for the next few months is much brighter than of late. Of course, it is not claimed that any large activity has been experienced as yet, for the buyer is not prepared to operate with any degree of freedom, as his mind regarding the future is not particularly settled and it remains to be seen just how well the season will open for him. This, for the jobber, will determine the character of his purchasing to a large degree. It must be admitted that early in the week there seemed to be an idea that prices might recede slightly from the firm position which they have held. But, with the issuance of the ginners' report, additional firmness was given to the seller, and it is probable that to-day buyers find it much more difficult to obtain any promise of even old quotations, much less any concessions. Another factor which may be adduced in argument of a strong position is a slight improvement in export trade. To be sure, this movement has been of very inconsiderable proportions, and should not be regarded as general by any means. But it would seem to show a certain amount of interest on the part of Northern China which may result in relieving the congestion at Shanghai to a certain extent, which has all along been regarded as the prime factor in depressing the status of export demand. It is reported that 3.25 sheetings have been sold for Tien Tsin in 200 to 300 bale lots, but the prices at which these sales have been closed have been kept very quiet. It is reported that re-sales of 3.25 sheetings to the home trade have been made at about 6c., and just exactly how low buyers would

sell in view of this figure cannot be told at the moment. A good many lines are being held at 6½c., but it is possible that some concessions from this figure are to be obtained. The possibility of higher prices on heavy goods is not regarded as very bright, for although a good many important lines are well sold ahead there are others which will be in need of business before very long, and the incubus of these upon the market may cause the holding of prices at the present level rather than any advance. Little movement in the home trade of heavy goods is reported, but a fair amount of lighter-weight sheetings, especially 4 yards, has been sold, which is also true of 5.50 and 6-yard sheetings. The former have been ordered to a slight extent by the Hawaiian Islands, but deliveries carry a very late date, as near-by shipments are all contracted for. Mr. Borden is reported to have been an operator in the print cloth market, and as a result prices on regulars have been advanced 1-16c., making them now 3 13-16c., while all supplies up to April have been purchased. Wide goods are not in active request, but prices are very steady, with a prospect of higher ranges before long. Colored goods are in firm position, with few supplies to be delivered in the near future. Napped goods prices may be made within a short time, and it is anticipated that these quotations will be of a material advance. Bleached goods operators are doing only a moderate business, in view of the high prices asked, but buyers are willing to take spot goods at full asking prices, although individual orders are not large. Wash goods are beginning to move in distributors' hands and in the primary market the situation is very firm, prices having been advanced, and it is the expectation that when sellers go out for a new season it will be necessary to name still further appreciation.

The following is an approximate range of quotations: Brown sheetings, standard eastern, 7½c.; southern, 7½c. to 7½c.; 3-yards, 6½c. to 7c.; 4-yards, 6c. to 6½c.; drills, standard, 7½c. to 7½c.; bleached muslins, standard 4 4, 5½c. to 6c.; kid-finished cambrics, 4½c. to 4½c.

WOOLEN GOODS.

In men's wear lines the attitude of buyers is one of conservatism as yet, but there is no doubt that many are willing to operate with considerable freedom for the future. A fair amount of business has already been done on the next season's lines, some of which are open and others have been sold surreptitiously. In fact this latter method has been more prevalent for the coming heavy weight season than for a good many selling periods, and it would be interesting to determine the exact proportions of the season's product that has been sold without formal opening of new lines. There is no great activity on the lower grades of woolen goods, which have not been opened in anything except the lower priced fabrics, but on the cheap cotton worsteds and low end of mercerized fabrics buying has been very free, and on those lines that have not been shown in the regular way buyers have operated to a very fair extent. Just the exact status of these orders when all the competing lines in the market are open remains to be seen, but it would seem as though there could be comparatively little competition from those who have not opened as yet, for it is a fact that few manufacturers are in a position to name low prices, as they have all been confronted with the same raw material problem and are obliged to name an advance. On the better grades of worsteds considerable advance business has been done from blanket samples, but sellers are of the opinion that the advance will be of such a character as to cause buyers to operate with considerable conservatism on the opening of the market. Whether this will cause a reversion to wool fabrics or not it is impossible to state at this time, although a good many are of the opinion that it will mean the purchase of manipulated fabrics in which there is a certain proportion of worsted and which resemble all-worsted fabrics to a degree at least. It is not probable

ORIGINAL CHARTER 1829

THE CALLATTIN NATIONAL BANK OF THE CITY OF NEW YORK.

CAPITAL, - - - - - \$1,000,000
SURPLUS AND PROFITS (Earned), - 2,200,000

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ALEXANDER H. STEVENS, Vice-President.
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at Forty Four Euclid Avenue, Cleveland

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**CAPITAL AND
SURPLUS**
\$2,300,000.00

that the general lines of high grade lines of worsteds will be put on the market as early as usual, and it may be well along in February before the market is fully opened. Frequently the first week in February has seen general lines of worsted goods fully launched upon their new season, but, unless conditions are considerably changed before that time, there seems to be every reason to believe in continued delay on the part of agents. Dress goods sellers are preparing their ideas for the coming fall season. Of course, things are in an embryonic state at present, for it is too early to prophesy very fully about the fall period. Yet there seems to be a growing idea that the wool fabric is to attain to greater proportions than it has experienced during the last two or three seasons. Nearly all authorities concur in the opinion that broadcloths are to be continued on the high plane of activity they have reached during the last season, and there is also an opinion that in fancies, especially in light and medium shades of gray, both in checks and in stripes, the duplicate trade which has developed is likely to continue for the coming fall.

THE YARN MARKET.

The slight irregularities which were more or less evident before the issuance of the ginners' report seem to have yielded to increased firmness, as spinners are not in a position to make concessions and with the prospect for firm prices in raw material are not inclined to operate except at the highest possible market levels. In a few instances it is evident that there are stocks on hand, but these are the exceptions and buyers as a rule are compelled to wait longer than they desire for deliveries. Firm conditions on hosiery yarns generally exist as far as spinners are concerned, though it is evident that few are in position to take nearby business if it were offered to them. Worsted and woolen yarns are firm, the former being sold ahead to such an extent that there is little incentive for even accepting further orders. Linen and jute yarns are steady and prices are on an upward trend.

IRON AND STEEL.

Weather conditions have been a little less satisfactory for outdoor work, and labor unrest also provided an adverse influence, but the tendency still in the right direction on the whole. In fact, the pressure after the holidays was so great in certain departments that several quotations have advanced from \$1 to \$2 per ton. Notably, sheets, tin plate, galvanized roofing and wire products. On the other hand, it was not found possible to maintain the recent advance in refined bars at Philadelphia, a large offer at old prices restoring the former figure. Structural steel contracts are under negotiation for an enormous tonnage, although actual sales of the week were not heavy. Western mills were tendered liberal specifications when work was resumed after the holidays, and there is again complaint of congestion. New business in steel rails has appeared, aggregating about 50,000 tons, partly light weights for trolley lines. Southern pig iron furnaces complain of inadequate transporting facilities, a large tonnage being held back because cars are not available. Statistics of pig iron production as published by the *Iron Age* are most instructive. For the year 1905 the total far eclipsed all records at 22,930,000 tons, including charcoal furnaces. Output in December was 2,052,397 tons, only slightly below the high record of 2,053,174 tons established in October, which was remarkable considering the holiday and customary year-end closing for repairs, etc. The capacity of active furnaces on January 1 was 466,302, only a trifle less than the 475,814 a month previous, and as work is resumed and new plants started, it is certain that new records will be established early in 1906.

MINOR METALS.

A further rise in tin was the most important event in this department, spot stocks apparently falling below require-

ments. Statistics of supply in Europe and the United States for 1905 are officially reported by Mr. C. Mayer, of the New York Metal Exchange, as 90,550 tons, against 92,400 in the previous year, and stocks at the opening of 1906 were 13,451 tons, against 14,768 a year earlier, domestic consumption being placed at 40,144 tons in 1905 and 37,007 in 1904. Copper prices declined slightly, demand for prompt delivery being less urgent. Exports in 1905 were 243,438 tons, against 252,313 in the previous year, and shipments to China and Japan provided 43,343 tons of the total. Lead is somewhat unsettled, but the expected rise occurred in tin plates.

THE PITTSBURG MARKET.

PITTSBURG.—The year opened with conditions favorable for great activity in iron and steel. Liberal contracts placed last year engaged the capacity of practically all mills, and tonnage was carried over to this year. Buying continues in a very satisfactory manner. The scarcity of billets and sheet bars is interfering with the regular operation of a number of mills, and the additional steel that will be available shortly as a result of rail mills working on billets will not be sufficient to ease the market to any great extent. A favorable factor is the strength shown by pig iron, which is now relatively as strong as billets. The merchant furnaces recognizing their better position, due to their capacity being taken through the first quarter, are insisting on prices consistent with market conditions. Production is large, but stocks are not accumulating to any extent, and buying is steady, with many inquiries. The coke market is active, with most of the output taken for the first quarter. Weather conditions have been exceptionally good, and coke plants are producing at a higher rate at this season of the year than ever before. Additional ovens have been placed in operation, and the weekly report of the Connellsville region shows 22,168 ovens in blast; production, 283,291 tons, compared with 232,368 last week. Shipments aggregated 278,576 tons and 70,058 from the Masontown field. Furnace coke is quoted at \$3.00 to \$3.50 and foundry \$3.50 to \$4.00; Bessemer iron is quoted at \$18.50 to \$18.75; No. 2 foundry at \$18.25 to \$18.50, and basic at \$18.30 to \$18.45. Raw steel still maintains its strong position. Billets and sheet bars are scarce, particularly the latter. Billet makers are out of the market, and from present indications will be for some months. Bessemer billets are nominally quoted at \$27 to \$27.50; sheet bars \$27 and open-heart billets at \$27 to \$28. Muck bar is firm at \$32, Pittsburgh, and the mills are active. In finished lines the mills find it difficult to keep pace with the heavy specifications coming in and the scarcity of steel is a strong hindrance to any material headway. The fact that a portion of the rail capacity has been diverted to the making of billets would indicate that rail orders are not insistent at present, but the mills start the year with a heavier tonnage than last year and it is expected that as the year progresses that additional business will be placed. There is a strong demand for light rails and the price is from \$28 to \$30, Pittsburgh. Standard sections are quoted at \$28, which price has ruled without change since January 1901 when it was advanced from \$26. The production of sheets is curtailed by a shortage of sheet bars and a number of the mills are unable to run full time. The mills are well supplied with business and are looking for a record production this year. The leading interest has advanced sheets and tin plate \$2 a ton, making the price of No. 28 gauge \$2.40, and galvanized \$3.45. On November 20th, the price was made \$2.30 for black sheets and \$3.35 for galvanized. It is reported that the independent mills will quote the same prices. The new business in plates is not heavy, but the mills are well supplied with orders and specifications are heavy. The mills are producing a large tonnage, but are still behind on deliveries. Tank plates are quoted at \$1.60, Pittsburgh, for $\frac{1}{4}$ inch thick, $6\frac{1}{2}$ up to 100 inches in width. Structural materials are active, although the demand at

Union Trust Company

Detroit, Michigan



THE Union Trust Company of Detroit, Michigan, began business in September, 1891, with a capital of \$500,000. It was the pioneer Trust Company in Detroit, and consequently was compelled to do missionary work. The Company confines itself strictly to trust business; it receives no money subject to check; it has outstanding no demand obligations. In the fifteen years of its existence it has earned surplus and undivided profits in excess of \$400,000. Its total assets January 1, 1906, were \$9,407,502.04. It does a larger business than any other Trust Company in Michigan.

In financing loans the Union Trust Company from time to time issues its Debentures, payable in one or two years, with interest at the rate of 5% per annum, payable semi-annually. Each issue of debentures is secured by specific collateral approved by the Executive Committee, and deposited with the Collateral Deposit Company, Limited, of Detroit, Michigan. Applications for these debentures may be made at any time.

The Union Trust Company also issues First Mortgage Trust Gold Bonds maturing in ten years, bearing interest at 4%, payable semi-annually. These bonds are secured by mortgages on improved city real estate worth at least double the amount of the loan.

Besides the regular trust business—such as acting as Executor, Administrator, Trustee, Receiver, Registrar, *et cetera*—the Union Trust Company issues abstracts of title to all lands in Wayne County, Michigan, and guarantees them. The Company also maintains a Safety Deposit Vault.

The Executive Committee is made up of WILLIAM C. McMILLAN, *Chairman*; DEXTER M. FERRY (president of the Union Trust Company); FRANK J. HECKER; HUGH McMILLAN; TRUMAN H. NEWBERRY; ALBERT E. F. WHITE (second vice-president); HENRY RUSSEL; CHARLES L. PALMS; ELLWOOD T. HANCE (first vice-president and treasurer); GEORGE HENDRIE.

present is light. Specifications are heavy on old contracts and the mills have sufficient business to carry them through the second quarter. Prices are unchanged on a basis of \$1.70. New business is light in steel bars, but specifications on old contracts come in regularly and the mills are well employed. Iron bars are fairly active and production large. Steel bars are quoted at \$1.50 and iron bars at \$2.05, Pittsburgh. Tin plate is in good demand, but production is short owing to the scarcity of tin bars. The leading interest has advanced prices 10 cents a box from \$3.40 to \$3.50.

THE GRAIN MARKETS.

A good undertone is noted in the leading cereals, one long line of wheat being emptied on the market without producing any pressure. This capacity for absorbing offerings is in some measure due to the readiness with which exporters apply for practically all the available grain. In addition, there has been considerable complaint of domestic weather conditions, both in the effect on winter wheat in the ground and on the transportation of the old crop. Somewhat similar difficulties in Argentina are expected to reduce the exports from that nation, although heavy purchases for Portugal are recorded in late cables. Statistics of world's stocks of wheat are only about 7,500,000 bushels larger than a year ago, despite the fall of 30 cents a bushel in price of early options. It is stated in speculative circles that the heavy selling by a prominent western operator was not evidence of lost confidence in ultimately higher values, but was intended to eliminate the weak long account. At any rate, it found a ready market, and prices failed to make the anticipated reaction, except most temporarily, May wheat falling about a point during the Tuesday session, but recovering it all before the close. The recent movement at the Pacific coast was very heavy, but this activity appears to have quieted down very promptly. Statistics of flour production at the Northwest indicates a large decrease in comparison with the same time a year ago, particularly at Minneapolis.

GRAIN MOVEMENT.

Interior arrivals of wheat have again surpassed last year's figures for the same week, but the receipts of corn were also heavy a year ago. As to all comparisons of exports the current movement shows a large increase, especially the Atlantic coast forwardings of flour.

The grain movement each day is given in the following table, with the week's total, and similar figures for 1905. The total for the last two weeks is also given, with comparative figures for last year. The receipts of wheat at western cities since July 1, both years, are appended, with latest figures of exports:

	WHEAT.		FLOUR.	CORN.	
	Western Receipts.	Atlantic Exports.	Atlantic Exports.	Western Receipts.	Atlantic Exports.
Friday	502,755	127,999	53,216	553,670	1,284,277
Saturday	969,226	273,114	17,631	753,028	1,123,290
Monday	965,260	114,363	101,103	871,620	1,537,303
Tuesday	619,994	358,564	76,209	698,390	677,672
Wednesday ..	595,684	312,555	34,035	505,090	930,250
Thursday	717,978	342,446	14,880	568,220	418,019
Total	4,370,895	1,529,041	297,074	3,950,018	5,970,811
“ last year.	3,288,501	120,850	90,004	4,335,603	3,047,328
Two weeks...	9,311,637	2,422,550	447,634	8,782,252	9,699,248
“ last year.	6,165,370	206,678	156,350	8,680,072	5,382,403

The total western receipts of wheat for the crop year thus far amount to 169,728,320 bushels, against 149,751,633 bushels during the previous year. Atlantic exports of wheat, including flour, this week were 2,865,874 bushels, against 1,571,029 last week and 525,868 a year ago. Pacific exports were 928,844, against 1,408,329 last week and 62,700 last year. Other exports were 451,559, against 199,210 last week and 120,000 a year ago. Total exports since July 1 of wheat, flour included, were 56,365,667 bushels, compared with 28,158,061 bushels last year, official returns being used up to November 30, and Dun's reports added for subsequent weeks.

THE WHEAT MARKET.

An increase of 2,275,000 bushels was reported last week in the domestic visible supply of wheat, making the total 45,226,000 bushels, against 40,266,000 bushels at the corresponding date last year. Exports from all surplus countries aggregated 7,400,000 bushels, against 8,000,000 in the preceding week, and 6,220,000 bushels a year previous. The chief gain over last year's figures was in movement from the United States and Danubian ports. A large decrease was reported in shipments from India, and the Russian outgo was estimated about one-half the figure of the same week a year ago. Cables told of damage in India and delayed harvesting in Argentina, which about neutralized the effect of the heavier domestic visible supply on the day of publication. An encouraging increase is noted in the eastbound shipment of flour.

THE CORN TRADE.

Last week's official statement of the domestic visible supply of corn showed an increase of 943,000 bushels, raising the aggregate to 12,820,000 bushels, against 10,919,000 on the same date last year. Total forwardings from all surplus producing countries were 7,164,000 bushels, against 5,754,000 bushels in the previous week, and 4,811,000 in the corresponding week a year ago. Shipments from the United States showed the principal gain, which was partially balanced by a moderate decrease in the outgo from Argentina. The first severe weather at many points provided an element of strength, and the visible supply did not increase as much as in the same week last year.

THE CHICAGO MARKET.

CHICAGO.—A very limited volume of trading developed in the grain markets, and flour has ruled dull. Export demand is unusually poor in all branches, and aggregate stocks here show further increase. Movement of grain at this port again makes a better showing, 9,061,241 bushels comparing with 7,715,362 bushels last week, but falls short of the 10,285,676 bushels a year ago. Receipts decreased 2.8 per cent., and the shipments declined 23.5 per cent. in comparison with the same week last year. No. 2 red winter wheat receded to 87½ cents a bushel, against 88 cents a week ago. The January options for the leading grains have varied but little. Compared with the closing value a week ago wheat is unchanged, oats ½ cents lower, and corn ¼ cent higher. Weather conditions were mainly favorable to marketing of crops, and receipts are expected to swell during this month, provided no stormy weather interferes. Farm reports as to condition of winter wheat and rye show the growth to be very satisfactory. There is, however, a lack of snow covering. Contract stocks of wheat here decreased 20,000 bushels; contract corn increased 100,000 bushels, and oats decreased 29,000 bushels. Comparative stocks are:

Wheat:	This Week.	Last Week.	Last Year.
No. 2 hard	2,441,000	2,486,000	56,000
No. 2 red	2,253,000	2,377,000	408,000
No. 1 Northern	735,000	686,000	1,426,000
Totals	5,529,000	5,549,000	1,890,000
Corn, contract	3,508,000	3,408,000	2,130,000
Oats, contract	4,126,000	4,175,000	1,496,000

Aggregate stocks of grain in all positions increased 37,000 bushels wheat, 283,000 bushels corn, and decreased 73,000 bushels oats. Detailed stocks and the movement of grain at this port compare in bushels as follows:

Stocks:	This Week	Prev. Week.	Year Ago.
Wheat	9,265,000	8,797,000	5,957,000
Corn	6,417,000	6,164,000	4,402,000
Oats	11,637,000	11,558,000	2,430,000
Rye	759,000	747,000	390,000
Barley	346,000	305,000	584,000
Receipts of grain	5,676,830	5,025,950	5,855,698
Shipments of grain	3,384,411	2,689,412	4,429,978

* Includes stocks afloat.

Provisions developed improvement in both demand and values, the latter advancing over last week's closings in pork 10 cents a barrel, lard 10 cents and ribs 30 cents. Live stock receipts, 329,880 head, compare with 317,297 head last week and 323,369 head a year ago. Sheep were in less demand and declined 20 cents a hundredweight, while

State Savings Bank

CORNER FORT and SHELBY STREETS

DETROIT, MICHIGAN



Capital, ∴ ∴ ∴ \$1,000,000.00

Surplus and Undivided Profits, \$875,000.00

Deposits, ∴ ∴ ∴ \$15,000,000.00

GEORGE H. RUSSEL, President

R. W. GILLETT, Vice-President

R. S. MASON, Cashier

H. P. BORGMAN, Assistant Cashier

H. C. POTTER, Jr., Vice-President

A. E. WING, Assistant Cashier

E. A. SUNDERLIN, Auditor

A General Banking Business. Correspondence Invited

advances were scored in hogs 15 cents and choice beeves 25 cents.

THE MINNEAPOLIS FLOUR OUTPUT.

MINNEAPOLIS.—The mills have increased their output somewhat and are now running at about one-half capacity. Flour demand is slowly increasing and orders booked during the week exceeded the amount of flour made. Prices are holding firm. Cereals and feed are dull, but prices are well maintained.

HIDES AND LEATHER.

Although prices on most kinds of packer hides are nominally unchanged, the market is easier, and some varieties have been virtually offered at concessions without being taken. Last sales of Chicago packer native steers of December salting were at 15½¢, but there are no buyers at anywhere near that figure at present. Some small sales of packer branded steers have been made at former figures. Stocks of native steers and cows are larger than they have been at any time in a month, but all kinds of branded hides are still sold ahead. The country hide market keeps fairly steady in the face of larger offerings. Further sales of buffs and heavy cows have been made at 13½¢, and some lots have been moved at a slightly better price. Foreign dry hides are firm, with the receipts being readily taken at full rates.

The leather market is decidedly dull and in a waiting position. Buyers are holding off in the belief that prices are as liable to recede as advance, and as a few soft spots have appeared in the situation they are more inclined to be bearish than otherwise. Shoe manufacturers, as a rule, are of the opinion that shoe buyers have over-bought to some extent, and that the shoe market is liable to be quiet for a few months. The leather market depends to a material degree on the action of the shoe buyers in the Boston market this month, and if these operators place large contracts the activity of the leather market will doubtless be assured for some time at least. The soft spots that have developed in the market are in the cut products of heavy union sole and Texas oak sides. Sales of Texas oak sides and bends have been made at concessions of ¼¢ to 1¢, and heavy weight combination union cut soles, strips and belly end pieces have been reduced from 1¢ to 3¢ per pound from former rates. Other kinds of sole leather are steady, and upper stock is firm, with the exception of glazed kid, which has had practically no advance in a year. Light weight belting butts continue strong, and there is a good trade in harness at full prices.

BOOTS AND SHOES.

Representatives of western and southern jobbing concerns are now present in large number in the Boston market negotiating for initial case lots of fall shoes. It is reported that as a rule these wholesalers now visiting the eastern market are carrying limited supplies of staple goods, and it is anticipated that business will be of good sized proportions. There have been some orders already placed, but it is too early as yet to look for many contracts. There appears to be no element of disturbance, as prices on the whole show a more steady tendency, with the possible exception of satin split goods, than for a long time heretofore. Should leather values decline slightly it is not expected that rates for shoes would suffer to any material degree, as footwear values are not inflated to any extent and shoe producers claim that on the present basis of shoe and leather prices there is but a fair margin of profit in manufacturing. The local jobbing trade is not active, though a steady demand is reported for staple varieties and local wholesale houses are in most instances under-supplied with goods.

THE BOSTON MARKET.

BOSTON.—The footwear market is fairly active. There are a large number of buyers in the city and operations, while conservative are satisfactorily large in volume. All

jobbers report home conditions excellent. Shipments for the week are 96,736 cases as compared with 83,567 cases last year. Upper leather is more active, though most business as yet is of the sampling variety. Sole leather is firm and active. Buff hides are quiet and in larger offering.

MARKET FOR WOOL.

Eastern wool markets are not especially active, yet there is no sign of weakness, and stocks are in no degree burdensome or pressed for sale. Owing to liberal imports there is a good supply in the Boston market, but much of this wool is already under contract for shipment to the mills. Thus far the new year has brought no alteration in quotations, nor any change in the firm tone that pervaded this industry.

THE BOSTON MARKET.

BOSTON.—A fair business in wool has been transacted this week. The principal traffic is in Australian merinos and crossbreds, several thousand bales of which have been sold, while domestic medium fleeces have also sold freely. Most of the merino Australian sold at 41¢, or 2½¢ below the cost to import new wool of similar character. One-quarter blood Ohio fleece sold at 33¢ and Michigan at 32¢. Territory wools are selling steadily in small lots at former rates. The undertone of the market is strong, but buyers generally are holding off for further progress to be made in the goods market and for the London auction sales which open next Tuesday. Deliveries are liberal, being 6,200,000 pounds for the week.

MARKET FOR COFFEE.

More interest is shown in option trading in coffee, orders coming from Wall Street and trade commission houses. How far this was in the nature of covering option contracts, and to what extent purchases were for investment, cannot very well be stated. Some improvement in quotations was due to a growing confidence that the statistical position will steadily become stronger. Stocks of Brazil are no longer so far in excess of last year's, and the supply of mild coffee in the United States is about 150,000 bags smaller than it was a year ago. Jobbers are in the market for West India growths to a moderate extent only, and the indifference of sellers holds quotations fairly steady.

MARKET FOR RICE.

Quotations of rice are firmly maintained, although locally the market is quiet, and stocks, while of good volume, are of only fair assortment, there being a notable lack of the lower and medium grades. Inquiry from other points, however, has exceeded all weekly records for several seasons, and reports from the South indicate a good demand on the Atlantic coast. Distribution at New Orleans has been restricted by the limited output from the mills, and offerings are promptly absorbed, with prices on a firmer basis. Foreign markets continue unchanged, a general holiday quiet prevailing, but statistically the situation is strong. Dan Talmage's Sons report the Louisiana movement thus far this season as follows: Receipts 985,610 sacks rough, against 1,272,130 sacks in 1905, while sales of 853,129 pockets cleaned, compare with 800,810 last year.

COAL AND COKE.

Lower temperature has helped the distribution of hard coal, of which the production in 1905 established a new high record, without apparently causing any inordinate supply in any position. Consumption is on a large scale and strike talk is less ominous, so that prospects are generally bright. Soft coal has passed through a period of depression and is now in demand at good prices. Industrial activity means liberal inquiry for bituminous fuel. All previous records of coke production were surpassed in 1905 by about three million tons, and recently stocks have proved somewhat excessive, so that quotations have receded to about \$2.65 for furnace coke at Connellsville ovens. Output has not been reduced, and the new year starts as though even 16,500,000 tons would not long remain the high-water-mark.

The
First National Bank of Detroit
 DETROIT, MICH.

Capital and Surplus,	-	\$1,000,000.00
Undivided Profits,	-	\$171,391.06

RESOURCES

Loans and Discounts,	-	-	\$3,636,314.66
Overdrafts,	-	-	102.76
U. S. Bonds,	-	-	660,000.00
Bonds, Stocks, Securities, Etc.,	-	-	1,410,670.70
Due from U. S. Treasurer,	-	-	39,750.00

CASH RESOURCES

Due from Banks,	-	\$671,112.00	
Due from Reserve Agents,	-	815,981.48	
Cash on Hand, -	-	<u>711,603.03</u>	\$2,198,696.51
			<u>\$7,945,534.63</u>

LIABILITIES

Capital Stock Paid in	-	-	-	\$750,000.00
Surplus Fund,	-	-	-	250,000.00
Undivided Profits,	-	-	-	171,391.06
Circulation,	-	-	-	360,000.00
Deposits,	-	-	-	<u>6,414,143.57</u>
				<u>\$7,945,534.63</u>

OFFICERS

D. M. FERRY,	-	-	PRESIDENT
JOHN T. SHAW, Vice-Pres. and Cashier			FRANK G. SMITH, Assistant Cashier
EMORY W. CLARK, 2d Vice-President			JOSEPH GRINDLEY, Assistant Cashier

DIRECTORS

D. M. FERRY	DON M. DICKINSON	JOHN T. SHAW
WM. J. CHITTENDEN	H. B. LOTHROP	STEPHEN Y. SEYBURN
WM. C. McMILLAN	JAMES EDGAR	EMORY W. CLARK

MARKET FOR COTTON.

Little variation in prices occurred at the start, traders preferring to await the Census Bureau report before operating aggressively. Cables from Liverpool early in the week were unsatisfactory, chiefly because of selling for the account of Egypt and the continent, but as an offset there was good Wall Street support for option quotations and a better spot demand from New York State spinners. One market authority that was openly opposed to higher prices announced that it was advisable to add a million bales to the ginning report, because in every previous year since these statements were first issued more than that quantity had been ginned after December 31. Furthermore, the current crop is late and has been held back to an unprecedented degree, while the visible supply is close to the maximum, and exports to date are the smallest in five years. While there is some foundation for these statements, it is not a sound argument that the amount ginned to December 31 is practically the same as to December 23, owing to the inactivity of holiday week, as this suggests that over a week's arrivals are still to be added this season. As a matter of fact, the same reasoning would apply for other years. The Census Bureau report of the quantity of cotton ginned up to the end of the calendar year, or four months of the crop year, was issued on Tuesday, and fell slightly short of general expectations, which had a further strengthening influence on option prices, although spot cotton ruled very quiet and steady. The figures were 9,721,773 bales, counting round bales as half bales. On the published statement it was variously estimated that the final yield would be from 10,250,000 to 10,750,000 bales, with most authorities favoring 10,500,000.

		SPOT COTTON PRICES					
MIDDLING UPLANDS.		Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York, cents	11.75	11.75	11.75	11.75	11.75	11.80	11.80
New Orleans, cents	11.56	11.56	11.56	11.56	11.56	11.56	11.56
Liverpool, pence	6.19	6.07	6.13	6.10	6.14	6.09	

Latest statistics of supply and movement of American cotton are given herewith:

		In U. S.	Abroad and Afloat.	Total.	Two Weeks' Changes.
1906, Jan. 5		1,887,660	2,254,000	4,141,660	+ 109,424
1905, " 6		1,752,011	2,131,000	3,883,011	+ 7,539
1904, " 8		1,418,890	1,915,000	3,333,890	+ 3,483
1903, " 9		1,657,302	1,580,000	3,237,302	+ 135,794
1902, " 10		1,794,562	1,962,000	3,756,562	+ 231,910
1901, " 11		1,780,407	1,610,000	3,390,407	- 67,676
1900, " 12		1,835,676	1,691,000	3,526,676	- 114,036
1899, " 13		1,961,427	2,919,000	4,880,427	- 8,909
1898, " 14		2,020,629	2,184,000	4,204,629	+ 144,764
1897, " 15		1,725,787	2,094,000	3,819,787	- 15,318
1896, " 16		1,666,802	1,961,000	3,627,802	- 94,918
1895, " 17		1,642,453	2,863,000	4,505,453	- 50,019

From the opening of the crop year to January 5, according to statistics compiled by the *Financial Chronicle*, 7,043,790 bales of cotton came into sight, as compared with 8,086,107 bales last year and 7,230,944 bales two years ago. This week port receipts were 161,874 bales, against 179,893 bales a year ago and 182,001 bales in 1904. Takings by northern spinners for the crop year up to January 5 were 1,240,227 bales, compared with 1,232,144 bales last year and 1,187,718 bales two years ago. Last week's exports to Great Britain and the continent were 180,912 bales, against 244,402 bales in the same week of 1905, while for the crop year 3,573,776 bales compare with 4,511,675 bales in the previous season.

THE NEW ORLEANS MARKET.

NEW ORLEANS.—The market has fluctuated within narrow limits, scoring a fair advance after the issuance of the ginners' report, but later declined, the closing being barely steady. Fluctuations for futures are about under twenty points of what they were a week ago. The spot market has been very firm, and notwithstanding the decline in futures is unchanged. Factories and owners of cotton are not disposed to sell at prevailing quotations.

THE LYNCHBURG TOBACCO MARKET.

LYNCHBURG.—Receipts are light and prices on all grades were up to quotations. The present season shows an increase in receipts of 1,022,200 lbs. as compared with last year.

On the Danville market receipts were small on account of continued rains, and the offerings were marketed in unusually soft order. Prices are practically on a par with those maintained prior to the holidays. The market is quite active in round lots of re-dried tobaccos. Sales the present season have been 17,426,279 lbs., an increase as compared with the same period of 1904 of 2,948,472 lbs., and in amount paid out \$344,203.

THE STOCK AND BOND MARKETS.

The stock market was irregular for a time as a result of heavy selling for profit taking, but later became decidedly strong, with a good undertone. Business was on a large scale, with daily average sales well in excess of a million shares. There were few developments affecting prices, aside from the easier tone of money and the strength of sterling exchange, the latter giving rise to discussion of gold export possibilities.

Union Pacific continued to lead the market in point of activity and was in sufficiently strong demand to absorb a large volume of profit taking sales. Reports of an increased dividend were current. Atchison was a distinct feature of the trading and improved materially in activity and strength. Missouri, Kansas & Texas was notable for a sharp advance on large trading, in which rumors were revived of control by the Chicago, Burlington & Quincy. The Pennsylvania group again occupied a prominent place in the dealings. Reading was rather irregular and at times under pressure for profit taking. Southern Railway continued in good demand. Canadian Pacific was purchased for London account. Great Northern was conspicuous for a sharp advance. New York Central rose sharply at one time. Southern Pacific was in improved demand. Among the minor properties, Duluth, South Shore & Atlantic and Minneapolis, St. Paul & Sault Ste. Marie were conspicuous.

United States Steel was again heavily dealt in and both the common and preferred sold at the highest prices of the present movement. The dealings in the first named shares were on a particularly extensive scale. The southern iron group were notable for occasional sharp, upward movements. American Sugar's movements were in reflection of the annual meeting developments. Amalgamated Copper and Anaconda Copper moved erratically, with occasional periods of strength and heaviness. Central Leather scored a material gain at one time. American Smelting was irregular in its movements. Corn Products receded on the announcement of the reorganization plan. American Cotton Oil was liberally dealt in at advancing prices.

The daily average closing prices for sixty railway, ten industrial, and five city traction and gas stocks are appended:

	Last year.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Railway	106.87	117.75	117.97	118.12	118.01	118.80	119.06
Industrial	69.45	98.84	99.45	99.62	99.94	101.11	101.85
Gas and Traction	131.07	131.00	130.72	130.02	129.75	129.47	129.67

RAILROAD AND MISCELLANEOUS BONDS.

Railroad and miscellaneous bonds were strong on a well distributed volume of trading. The latter showed a very material increase over the recent average, to some extent traceable to the usual January demand. Business, however, continued largely confined to the speculative and semi-investment class of issues. Colorado Midland 4s were in particularly strong demand at advancing prices. United States Steel 5s maintained a strong tone. There was notable activity and strength in a number of other issues, of which the following were most conspicuous: Atchison convertibles, Brooklyn Rapid Transit 4s, Colorado Industrial 5s, Erie convertibles, Mexican Central issues, Reading generals, American Tobacco issues, Chicago, Burlington & Quincy joint 4s, Wabash debenture Bs, Western Maryland issues and Wabash-Pittsburg Terminal second 4s.

GOVERNMENT AND STATE BONDS.

The sales of government bonds on the New York Stock Exchange included United States threes, registered, at 103½, threes, coupon, 103½; Japanese 6s at 99½ to 100; second series at 99½ to 99½; 4s at 93½ to 93½, second series at 91½ to 91½ ex-interest; 4s at 87½ to 87½; Mexican 4s at 92½ to 93½, 5s at 99½ and Republic of Cuba 5s at 106½ to 106.

ESTABLISHED 1856

Manufacturers and Traders National Bank

BUFFALO, N. Y.

Capital,	-	-	-	\$1,000,000.00
Surplus,	-	-	-	\$1,000,000.00
Profits,	-	-	-	\$400,000.00
Resources,	-	-	-	\$16,000,000.00

ROBERT L. FRYER, PRESIDENT

FRANKLIN D. LOCKE, VICE-PRESIDENT

HARRY T. RAMSDELL, CASHIER

SAMUEL ELLIS, ASSISTANT CASHIER

HENRY W. ROOT, ASSISTANT CASHIER

WALTER ASPINWALL, ASSISTANT CASHIER

NEW YORK STOCK EXCHANGE.

Weekly and Yearly Record of Stocks and Bonds.

STOCKS.	Last Sale Friday	Week.		Year.	
		High	Low	High	Low
Adams Express.....	240				
Albany & Susquehanna.....	240				
Allis-Chalmers.....	23 1/2	24 1/2	22 1/2	24 1/2 Jan 12	22 Jan 9
do pref.....	63 1/2	63 1/2	61 1/2	63 1/2 Jan 4	61 1/2 Jan 3
*Amalgamated Copper.....	114 1/2	114 1/2	108 1/2	114 1/2 Jan 12	108 1/2 Jan 4
*American Ag'l Chemical.....	28	29	25 1/2	29 Jan 13	24 Jan 3
do pref.....	95	96	93 1/2	96 Jan 8	93 1/2 Jan 6
*American Beet Sugar.....	32	35	31	35 Jan 6	31 Jan 11
do pref.....	84	89 1/2	86	89 1/2 Jan 8	86 Jan 10
American Car & Foundry.....	43 1/2	43 1/2	40 1/2	43 1/2 Jan 12	39 1/2 Jan 4
do pref.....	106 1/2	106 1/2	99 1/2	101 Jan 12	99 1/2 Jan 4
American Coal.....	175	190	190	190 Jan 4	190 Jan 4
American Cotton Oil.....	43 1/2	44 1/2	38	44 1/2 Jan 11	37 1/2 Jan 5
do pref.....	93	94 1/2	93 1/2	95 Jan 10	93 1/2 Jan 4
American District Tel.....	37				
American Express.....	22 1/2	22 1/2	22 1/2	22 1/2 Jan 12	22 1/2 Jan 11
*American Grass Twine.....	10 1/2	10 1/2	10 1/2	10 1/2 Jan 4	10 1/2 Jan 4
American Hide & Leather.....	9	9 1/2	8 1/2	10 Jan 8	8 1/2 Jan 11
do pref.....	40	40 1/2	40	42 Jan 2	39 Jan 10
American Ice Securities.....	44	44	35 1/2	44 Jan 12	35 1/2 Jan 2
*American Linseed.....	26 1/2	26 1/2	20 1/2	21 1/2 Jan 3	20 Jan 5
do pref.....	41 1/2	42	41 1/2	42 Jan 3	41 1/2 Jan 12
*American Locomotive.....	77	78	75 1/2	78 1/2 Jan 3	75 Jan 3
do pref.....	119 1/2	119 1/2	117 1/2	119 1/2 Jan 12	117 Jan 4
*American Maltng.....	5 1/2	5 1/2	5 1/2	5 1/2 Jan 11	5 Jan 3
do pref.....	26 1/2	26 1/2	25	26 1/2 Jan 12	25 Jan 5
*American Smelters pref B.....	101 1/4	101 1/4	100 1/2	101 1/4 Jan 10	100 1/2 Jan 3
*American Smit & Ref.....	165 1/2	167	162 1/2	169 1/2 Jan 2	162 1/2 Jan 4
do pref.....	128 1/2	130	126 1/2	130 Jan 12	126 1/2 Jan 11
American Snuff.....	1220				
do pref.....	100				
American Steel Foundries.....	14 1/2	14 1/2	13 1/2	15 Jan 2	13 1/2 Jan 8
do pref.....	50 1/2	51 1/2	49 1/2	51 1/2 Jan 10	49 1/2 Jan 5
*American Sugar Ref.....	151 1/2	157	150 1/2	157 Jan 8	149 1/2 Jan 2
do pref.....	105			139 1/2 Jan 3	138 1/2 Jan 3
American Tel & Cable.....	130				
American Tele & Tel.....	135	106	104 1/2	106 Jan 2	104 1/2 Jan 11
American Tob pref new.....	105	106	104 1/2	106 Jan 2	104 1/2 Jan 11
*American Woolen.....	46 1/4	48	44	48 Jan 6	40 1/2 Jan 4
do pref.....	104	104 1/2	104 1/2	104 1/2 Jan 6	103 Jan 3
*Anaconda Copper.....	264 1/2	274	250	298 Jan 2	230 Jan 5
Ann Arbor.....	32				
do pref.....	75				
Ass'n Merchants' 1st pref.....	106	106 1/2	106 1/2	107 1/2 Jan 4	106 1/2 Jan 11
Aetna, Top & Santa Fe.....	96 1/2	96 1/2	96 1/2	96 1/2 Jan 2	96 1/2 Jan 2
do pref.....	104	104 1/2	102 1/2	106 Jan 3	102 1/2 Jan 8
Atlantic Coast Line.....	161 1/2	162	158 1/2	162 Jan 12	157 Jan 4
Baltimore & Ohio.....	115 1/2	115 1/2	113 1/2	115 1/2 Jan 8	112 1/2 Jan 5
do pref.....	98 1/2	99 1/2	94 1/2	99 1/2 Jan 5	98 Jan 3
Brooklyn Rapid Transit.....	59 1/2	59 1/2	58 1/2	59 1/2 Jan 9	58 1/2 Jan 4
Brooklyn Union Gas.....	11	11	10 1/2	11 Jan 9	10 1/2 Jan 2
Brunswick City.....	120	120 1/2	118 1/2	120 1/2 Jan 9	118 1/2 Jan 2
Buffalo, Rochester & Pitts.....	152	153	153	153 Jan 9	153 Jan 9
do pref.....	155				
Buffalo & Susq pref.....	83	83	83	83 Jan 12	83 Jan 12
*Butterick Co.....	58				
Canada Southern.....	70	70 1/2	70 1/2	70 1/2 Jan 8	69 1/2 Jan 3
Canadian Pacific.....	175 1/4	176 1/4	173 1/4	176 1/4 Jan 9	172 1/2 Jan 4
Central Coal & Coke.....	130				
Central & S Am Tel.....	48 1/2	49 1/2	45 1/2	49 1/2 Jan 12	44 1/2 Jan 5
Central Leather.....	105 1/2	105 1/2	104 1/2	105 1/2 Jan 9	103 1/2 Jan 5
do pref.....	227	227	225	227 Jan 12	222 Jan 3
Central R R of New Jersey.....	57 1/2	57 1/2	55 1/2	57 1/2 Jan 12	54 1/2 Jan 5
Chesapeake & Ohio.....	35	35 1/2	35 1/2	35 1/2 Jan 2	35 1/2 Jan 2
Chicago & Alton.....	160 1/2	160 1/2	158 1/2	160 1/2 Jan 12	158 1/2 Jan 10
do pref.....	1200				
Chicago, Bur & Quincy.....	1130				
Chicago & E. Illinois pref.....	21 1/2	22 1/2	20 1/2	22 1/2 Jan 12	20 1/2 Jan 5
Chicago Great Western.....	78	78	70	78 Jan 12	75 Jan 10
do pref A.....	35 1/2	36	34 1/2	36 Jan 12	34 1/2 Jan 4
do pref B.....	84 1/2				
do debentures.....	70				
Chicago, Ind & Lou pref.....	184 1/2	185	181 1/2	185 Jan 9	179 1/2 Jan 5
Chicago, Mil & St Paul.....	191	192	189	192 Jan 9	190 Jan 5
do pref.....	228	228 1/2	221	228 1/2 Jan 12	220 Jan 4
Chicago & Northwestern.....	245				
do pref.....	1188	191 1/2	190	191 1/2 Jan 9	190 Jan 9
Chicago, St P. & Omaha.....	1188				
Chicago Term Trans.....	17	17	13	17 Jan 12	13 Jan 2
do pref.....	41	41	36	41 Jan 12	36 Jan 8
Chicago Union Trac.....	11	12 1/2	10	12 1/2 Jan 2	10 Jan 10
do pref.....	107 1/2	107 1/2	106 1/2	107 1/2 Jan 2	105 Jan 3
Clev, Cin, Chi & St L.....	116				
do pref.....	75				
Clev, Lor & West.....	1105				
do pref.....	1182				
Cleveland & Pittsburg.....	1182				
do Special.....	1105				
Colorado Fuel & Iron.....	60 1/2	61 1/2	56 1/2	61 1/2 Jan 12	55 1/2 Jan 4
do pref.....	95	95	95	95 Jan 8	95 Jan 8
Colorado Southern.....	34 1/2	35 1/2	30 1/2	35 1/2 Jan 12	29 1/2 Jan 4
do 1st pref.....	71 1/2	72	70	72 Jan 12	68 Jan 5
do 2d pref.....	55 1/2	56 1/2	53 1/2	56 1/2 Jan 12	53 Jan 2
Consolidated Coal.....	190				
Col & Hg Coal & Iron.....	18 1/2	18 1/2	17 1/2	18 1/2 Jan 9	17 1/2 Jan 4
Consolidated Gas.....	174 1/2	177 1/2	174 1/2	181 Jan 2	174 1/2 Jan 12
Corn Products.....	18 1/2	18 1/2	18 1/2	18 1/2 Jan 3	18 Jan 8
do pref.....	18 1/2	59 1/2	57	61 1/2 Jan 3	57 Jan 3
Delaware & Hudson.....	227	228 1/2	222 1/2	228 1/2 Jan 12	220 1/2 Jan 5
Delaware, Lack & Western.....	465	465	460	465 Jan 12	459 1/2 Jan 3
Denver & Rio Grande.....	46 1/2	47 1/2	38 1/2	47 1/2 Jan 12	38 Jan 4
do pref.....	99	90 1/2	88	90 1/2 Jan 11	87 Jan 4
Des Moines & Ft Dodge.....	23 1/2				
do pref.....	9 1/2	10 1/2	10 1/2	10 1/2 Jan 8	10 Jan 4
Detroit Southern Tr R.....	85				
do pref Tr R.....	95	98 1/2	93 1/2	95 1/2 Jan 10	93 1/2 Jan 11
Detroit United Railway.....	53	53 1/2	52	53 1/2 Jan 2	51 1/2 Jan 5
Diamond Match.....	22	22 1/2	19	22 1/2 Jan 11	19 Jan 8
*Distillers Securities.....	143	145	140	145 Jan 11	140 Jan 8
do pref.....	162	163 1/2	162	164 1/2 Jan 2	160 Jan 2
Eastman Kodak Co.....	84 1/2	84 1/2	83	84 1/2 Jan 5	81 1/2 Jan 3
Electric Storage Battery.....	50 1/2	50 1/2	48 1/2	50 1/2 Jan 12	47 1/2 Jan 4
do 1st pref.....	81 1/2	82	80 1/2	82 Jan 12	80 1/2 Jan 2
do 2d pref.....	74 1/2	74 1/2	73 1/2	74 1/2 Jan 12	73 Jan 4
Evans & Terre Haute.....	75	75	75	75 Jan 2	75 Jan 8
do pref.....	85				
Federal, Mining & Smelting.....	143	146	140 1/2	146 Jan 8	138 Jan 4
do pref.....	106 1/4	107	104	107 Jan 12	104 Jan 4
*Ft Worth & Denver City.....	79	80	80	80 Jan 11	77 Jan 2
General Chemical.....	105	106	105 1/2	106 Jan 10	105 1/2 Jan 4
do pref.....	178 1/2	181 1/2	177 1/2	181 1/2 Jan 9	175 1/2 Jan 4
General Electric.....	1120				
Gold & Stock Tel.....	318 1/2	321	289 1/2	321 Jan 12	283 Jan 5
Great Northern pf.....					

STOCKS

Continued.

Last Friday	Week.		Year.	
	High	Low	High	Low
110				
33			35 Jan 3	35 Jan 3
80	80	79 1/2	80 Jan 9	79 Jan 3
115	116 1/2	114 1/2	119 Jan 3	114 1/2 Jan 10
95	95 1/2	95	95 Jan 5	95 Jan 2
81 1/2	82	82	82 Jan 4	72 Jan 4
180	182	175 1/2	182 Jan 12	174 1/2 Jan 3
103 1/2	25 1/2	22 1/2	25 1/2 Jan 12	22 Jan 4
25 1/2	90	88 1/2	90 Jan 12	84 1/2 Jan 3
59 1/2	60 1/2	59	61 Jan 2	58 Jan 5
27			28 Jan 3	27 Jan 2
79 1/2	80 1/2	79	80 1/2 Jan 6	79 Jan 11
34 1/2	34 1/2	30 1/2	34 1/2 Jan 12	29 1/2 Jan 2
63 1/2	63 1/2	60	63 1/2 Jan 12	59 Jan 2
56 1/2	57 1/2	57	58 Jan 2	57 Jan 2
83	83 1/2	83	83 1/2 Jan 5	83 Jan 6
33 1/2	37 1/2	32 1/2	37 1/2 Jan 5	32 1/2 Jan 12
64 1/2	71	64	71 Jan 5	64 Jan 12
14				
45				
67 1/2	6 5/8	61 3/4	67 1/2 Jan 12	61 3/4 Jan 10
80	80	73 1/2	80 Jan 11	78 1/2 Jan 12
100				
44 1/2	44 1/2	40	44 1/2 Jan 12	38 Jan 3
95				
45				
69	69 1/2	67 1/2	69 1/2 Jan 9	67 1/2 Jan 4
154	154 1/2	152 1/2	154 1/2 Jan 3	151 Jan 4
10	12	12	12 Jan 11	12 Jan 11
160 1/2	161 1/2	159 1/2	161 1/2 Jan 8	159 1/2 Jan 11
110				
73 1/2	74 1/2	73	74 1/2 Jan 9	72 1/2 Jan 3
124 1/2	126 1/2	124	126 1/2 Jan 8	122 1/2 Jan 4
25 1/2	25 1/2	25	25 1/2 Jan 8	24 1/2 Jan 4
1145				
83 1/2	84 1/2	81 1/2	84 1/2 Jan 11	81 1/2 Jan 4
100	100 1/2	100 1/2	100 1/2 Jan 3	100 1/2 Jan 3
161	163	163	163 Jan 10	164 Jan 4
182 1/2	183 1/2	174	183 1/2 Jan 11	173 Jan 2
39 1/2	40 1/2	36 1/2	40 1/2 Jan 12	36 Jan 4
71 1/2	72 1/2	69 1/2	72 1/2 Jan 10	68 1/2 Jan 4
103	103 1/2	100	103 1/2 Jan 12	99 Jan 5
149 1/2	149 1/2	148 1/2	149 1/2 Jan 12	147 Jan 2
67	69 1/2	67	69 1/2 Jan 8	67 Jan 3
113 1/2	113 1/2	113 1/2	113 1/2 Jan 5	113 1/2 Jan 5
16 1/2	17 1/2	16 1/2	17 1/2 Jan 9	16 1/2 Jan 10
85				
85 1/2	89 1/2	83	89 1/2 Jan 9	80 1/2 Jan 5
103	104	103	104 1/2 Jan 10	103 Jan 5
40 1/2	40 1/2	38	40 1/2 Jan 12	38 Jan 5
21 1/2	21 1/2	20 1/2	21 1/2 Jan 12	20 1/2 Jan 11
37				
163	163 1/2	162	163 1/2 Jan 5	160 Jan 4
154	156 1/2	152 1/2	156 1/2 Jan 4	150 Jan 4
72	72	69 1/2	72 Jan 12	67 1/2 Jan 5
119	120	120	120 Jan 8	119 Jan 2
90	91 1/2	90	91 1/2 Jan 9	88 Jan 2
39	39	33 1/2	39 Jan 12	33 1/2 Jan 8
79 1/2	79	79	79 Jan 11	78 1/2 Jan 4
137				
202	202	198 1/2	202 Jan 12	197 Jan 2
1150				
54 1/2	54 1/2	51 1/2	54 1/2 Jan 12	51 1/2 Jan 4
88 1/2	88 1/2	86	88 1/2 Jan 12	85 Jan 4
93	96	96	96 Jan 6	93 1/2 Jan 3
106	107	99 1/2	107 Jan 12	98 Jan 2
209 1/2	211	202 1/2	211 Jan 12	199 Jan 5
3 3/4	4	3 3/4	4 Jan 11	3 3/4 Jan 2
118 1/2	118 1/2	105	118 1/2 Jan 12	103 1/2 Jan 5
103	103	105	105 Jan 5	103 Jan 10
118	118	105 1/2	118 Jan 12	105 1/2 Jan 10
145 1/2	145 1/2	143 1/2	145 1/2 Jan 12	142 1/2 Jan 4
100 1/2	102	100 1/2	103 Jan 2	100 1/2 Jan 4
41	40	40	40 Jan 11	40 Jan 11
106				
84	84	84	85 Jan 4	84 Jan 12
105	105 1/2	105 1/2	105 1/2 Jan 12	105 1/2 Jan 12
57	60 1/2	59 1/2	62 Jan 3	59 1/2 Jan 10
181				
100 1/2	57 1/2	54 1/2	57 1/2 Jan 9	53 1/2 Jan 4
243	243	243	243 Jan 12	242 Jan 3
2	2 1/2	2 1/2	2 1/2 Jan 12	2 1/2 Jan 9
5	5	2 1/2	5 Jan 12	2 1/2 Jan 8
97	97 1/2	97	97 1/2 Jan 11	96 Jan 4
104 1/2	105	104	105 1/2 Jan 3	100 Jan 4
144 1/2	145 1/2	143	145 1/2 Jan 12	139 Jan 5
94	94 1/2	93 1/2	94 1/2 Jan 8	92 1/2 Jan 2
97 1/2	97 1/2	97	97 1/2 Jan 10	96 1/2 Jan 2
1207	30	33 1/2	30 Jan 12	32 1/2 Jan 4
110 1/2	110 1/2	106	110 1/2 Jan 9	105 Jan 5
24 1/2	24 1/2	23 1/2	25 Jan 6	23 1/2 Jan 3
62 1/2	63 1/2	63 1/2	63 1/2 Jan 3	62 1/2 Jan 4
134				
43	43	43	43 Jan 10	42 Jan 2
58				
26	27	28	27 Jan 12	28 Jan 10
69	69 1/2	63 1/2	69 1/2 Jan 4	62 1/2 Jan 2
29	40	35	40 Jan 12	35 Jan 11
66				
48 1/2	49	48	49 Jan 11	47 Jan 4
128				
128			129 Jan 3	129 Jan 3
23 1/2	24	20 1/2	24 Jan 12	20 1/2 Jan 2
58 1/2	59	54 1/2	59 Jan 12	53 Jan 5
95 1/2	97 1/2	88 1/2	97 1/2 Jan 10	86 1/2 Jan 4
69	70	66 1/2	70 Jan 12	65 1/2 Jan 4
118 1/2	118 1/2	118	118 1/2 Jan 8	117 1/2 Jan 3
38 1/2	38 1/2	36 1/2	38 1/2 Jan 12	35 1/2 Jan 2
101 1/2	101 1/2	100 1/2	101 1/2 Jan 12	100 Jan 2
180 1/2	165	132 1/2	165 Jan 12	129 Jan 2
50				

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R. J. KIMBALL & CO.,**STOCKS, BONDS, INVESTMENT SECURITIES.**

ESTABLISHED 1865.

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CORRESPONDENCE SOLICITED.

STOCKS					ACTIVE BOND				
Continued.					Continued.				
Last Sale	Week.		Year.		Last Sale	Week.		Year.	
Friday	High	Low	High	Low	Friday	High	Low	High	Low
Texas Central pref.	90				Erie general 4s.	93	92 1/2	93	Jan 6
Texas Pacific	85 1/4	35 1/2	33 1/2	35 1/2 Jan 12	32 1/2 Jan 4	Erie, Pa. col tr 4s.	96	96	96 Jan 5
do Land Tr.	76 1/2	77 1/2	65 1/4	77 1/4 Jan 12	64 1/2 Jan 2	Evansville & Terre H conds			
Third Avenue	138 1/2	139 1/2	136	139 1/2 Jan 11	135 Jan 2	do 1st gen 5s.	111		
Toledo, Peoria & Western	17					Pt W & D C 1st 6s.	113 1/2	114	112 1/2
Toledo Railways & Light	12 1/2	32 1/2	32 1/2	32 1/2 Jan 2	32 1/2 Jan 9	Flt Wo & Rio Grande 1st 4s	89	89	89
Toledo, St. Louis & Western	36 1/2	36 1/2	36 1/2	36 1/2 Jan 10	35 Jan 5	G B & Western deb B.	22	22	20
do pref.	53	58 1/2	56	58 1/2 Jan 11	56 Jan 5	Gulf & Ship Island 5s.	101		
Twin City Rapid Transit	118	120 1/2	117	120 1/2 Jan 9	117 Jan 5	Hocking Valley 4 1/2s.	107 1/2	107 1/2	107 1/2
do pref.	13 1/2	13 1/2	13 1/2	14 Jan 2	13 1/2 Jan 6	H & T Cen gen 4s.	98	99	98
*Union Bag & Paper Co.	80 1/2	80 1/2	80 1/2	81 1/2 Jan 2	80 1/2 Jan 5	do 4s, 1902	104 1/2		
do pref.	158 1/2	153 1/2	151	158 Jan 12	148 Jan 3	Int & Gt Northern 1st 6s.	118		
Union Pacific	99	99	98 1/2	99 1/2 Jan 2	98 1/2 Jan 10	do 2d 5s.	100	100	100
United Fruit	92	92	90 1/2	92 Jan 8	88 1/2 Jan 2	do 3d 4s.	110	110	109 1/2
Un'd Rys Investment Co.	92	92	90	92 Jan 8	87 Jan 2	do conv 5s.	98	98 1/2	98
Un'd Rys St Louis pref.	87	87	87	87 Jan 4	85 1/2 Jan 2	Internat'l Steam Pump 6s.	102	102	101 1/2
*U S Cast Iron Pipe	51 1/2	52 1/2	49 1/2	52 1/2 Jan 6	46 1/2 Jan 2	Iowa Central 1st 5s.	88	88	87 1/2
do pref.	35 1/2	36 1/2	34 1/2	35 1/2 Jan 12	34 Jan 5	Iowa Central ref 4s.	117 1/2	118	117 1/2
U S Express	124 1/2	124 1/2	124 1/2	124 1/2 Jan 12	124 1/2 Jan 12	Kansas City, Ft S & Mem 4s	87	87	87
*U S Leather	14 1/2					Kansas City Southern 3s.	74 1/2	75 1/2	74 1/2
do pref.	112					Lackawanna Steel 5s.	107 1/2	107 1/2	106 1/2
U S Realty & Improvement	89 1/2	91	89	91 Jan 9	88 Jan 4	Laclede Gas 5s.	107 1/2	108 1/2	107 1/2
*U S Radium & Refining	31 1/2	32 1/2	31 1/2	31 1/2 Jan 12	31 1/2 Jan 12	Lake Erie & Western 1st 6s.	117 1/2	118 1/2	117 1/2
do pref.	70	70	70	70 Jan 4	70 Jan 4	Lake Erie & Western 2d 6s.	113 1/2	113 1/2	113 1/2
U S Rubber	54 1/2	54 1/2	52 1/2	54 1/2 Jan 12	51 Jan 4	Lake Shore gn 3 1/2s.	101 1/2	101 1/2	100 1/2
do 1st pref.	113	113	111	113 Jan 12	109 1/2 Jan 2	do deb 4s.	101 1/2	101 1/2	101 1/2
do 2d pref.	85	85	84 1/2	85 Jan 2	83 Jan 5	Long Island Unified 4s.	100 1/2	101 1/2	101 1/2
U S Steel	14 1/2	45	45	45 Jan 8	42 Jan 5	do gen 4s.	101 1/2	101 1/2	101 1/2
do pref.	107 1/2	107 1/2	106 1/2	107 1/2 Jan 9	105 Jan 5	Louisville & Ark 1st 5s.	101 1/2	101 1/2	101 1/2
Vandalia R R.	85					Louisville & Nash Unified 4s	104	104 1/2	103 1/2
Va-Car Chemical	54 1/2	55 1/2	53	58 Jan 2	52 Jan 5	do col tr 4s.	98 1/2	99	99
do pref.	115	115 1/2	114 1/2	117 1/2 Jan 2	114 Jan 4	do So Ry, Monon joint 4s.	98 1/2	99	99
Va Iron, Coal & Coke	52 1/2	53 1/2	50	53 1/2 Jan 12	50 Jan 8	do 4s, 1902	103 1/2	103 1/2	103 1/2
*Vulcan Detinning	52 1/2	52 1/2	50	53 Jan 4	50 Jan 11	Metropolitan Street Ry 5s.	117	117	116 1/2
do pref.	22 1/2	22 1/2	20 1/2	22 1/2 Jan 12	20 1/2 Jan 5	do Refunding 4s.	91 1/2	91 1/2	90 1/2
Wabash	42 1/2	42 1/2	40 1/2	42 1/2 Jan 12	40 1/2 Jan 3	Mexican Central con 4s.	79 1/2	79 1/2	78 1/2
do pref.	240	240	240	240 Jan 8	240 Jan 3	do 1st income.	25 1/2	25 1/2	25 1/2
Wells Fargo Express	35	39	37	39 1/2 Jan 9	32 Jan 3	do 2d income.	19 1/2	19 1/2	19 1/2
Western Maryland	93 1/2	93 1/2	92 1/2	93 1/2 Jan 3	92 1/2 Jan 12	do 4 1/2s.	98	98 1/2	98 1/2
W U Telegraph	174 1/2	175	170	176 Jan 5	170 Jan 11	Minneapolis & St. Leon 5s.	113 1/2	113 1/2	113 1/2
Westinghouse E & M.	189	188	188	188 Jan 10	188 Jan 10	do 1st and ref 4s.	96 1/2	96 1/2	96 1/2
Wheeling & L E.	45 1/2	45 1/2	45 1/2	45 1/2 Jan 12	45 1/2 Jan 2	do 2d and ref 4s.	100 1/2	100 1/2	100 1/2
do 1st pref.	27 1/2	27 1/2	25 1/2	27 1/2 Jan 12	25 1/2 Jan 10	do 2d 4s.	90 1/2	90 1/2	90 1/2
do 2d pref.	31	31 1/2	29 1/2	31 1/2 Jan 12	28 1/2 Jan 2	do ext g 5s.	107	107 1/2	107 1/2
Wisconsin Central	61	62 1/2	61	62 1/2 Jan 8	60 1/2 Jan 3	do T of T 5s.	108 1/2	108 1/2	108 1/2
do pref.						Missouri Pacific trust 5s.	106	106	106
*Unlisted. †No sales					do 4d 4s, 4 per cent loan	92	94	93 1/2	Jan 10
ACTIVE BONDS.					Mobile & Ohio gen 4s.	97	99 1/2	98 1/2	Jan 10
ACTIVE BONDS.					Nassau Elec 4s.	89	89 1/2	88 1/2	Jan 10
ACTIVE BONDS.					National Mexico 4s.	85 1/2	86	85 1/2	Jan 11
ACTIVE BONDS.					N. C. & St. Louis con 5s.	114 1/2	114 1/2	114 1/2	Jan 8
ACTIVE BONDS.					New York Central gen 3 1/2s.	98 1/2	98 1/2	98 1/2	Jan 4
ACTIVE BONDS.					do deb 4s, 1904	101 1/2	101 1/2	101 1/2	Jan 3
ACTIVE BONDS.					do Lake Shore col 3 1/2s.	91	91	90 1/2	Jan 8
ACTIVE BONDS.					do Lake Erie & Western 3 1/2s.	90 1/2	90 1/2	90 1/2	Jan 5
ACTIVE BONDS.					N. Y. C. & St. Louis 4s.	104 1/2	105	104 1/2	Jan 1
ACTIVE BONDS.					N. Y. C. E. L. H. & P 4s.	91	91	90 1/2	Jan 5
ACTIVE BONDS.					do col lateral tr 5s.	109	109 1/2	108 1/2	Jan 10
ACTIVE BONDS.					N. Y. Ont. & West ref 4s.	110 1/2	110 1/2	110 1/2	Jan 9
ACTIVE BONDS.					do 2d 4s.	102 1/2	102 1/2	102 1/2	Jan 12
ACTIVE BONDS.					Norfolk & Western con 4s.	100 1/2	100 1/2	100 1/2	Jan 12
ACTIVE BONDS.					do divisional 1st lien 4s.	99 1/2	99 1/2	99	Jan 10
ACTIVE BONDS.					do P. C. & C joint 4s.	95 1/2	95 1/2	94 1/2	Jan 12
ACTIVE BONDS.					Northern Pacific prior 4s.	106 1/2	106 1/2	105 1/2	Jan 12
ACTIVE BONDS.					do general 3s.	76 1/2	77 1/2	77	Jan 9
ACTIVE BONDS.					do N. Y. & N. E. C. & Q col.	101 1/2	101 1/2	101 1/2	Jan 12
ACTIVE BONDS.					Oregon Ry & Nav 4s.	101 1/2	101 1/2	101 1/2	Jan 1
ACTIVE BONDS.					Oregon Short Line 1st 6s.	125 1/2	125 1/2	125 1/2	Jan 4
ACTIVE BONDS.					do consol 5s.	118 1/2	118 1/2	117 1/2	Jan 10
ACTIVE BONDS.					do ref 4s.	96 1/2	96 1/2	96	Jan 10
ACTIVE BONDS.					Pacific Coast 1st 5s.	106 1/2	106 1/2	106 1/2	Jan 12
ACTIVE BONDS.					Pennsylvania 4 1/2s.	106 1/2	106 1/2	106 1/2	Jan 12
ACTIVE BONDS.					do conv 3 1/2s.	105	105	103 1/2	Jan 12
ACTIVE BONDS.					Peoria & E. 1st 5s.	100 1/2	100 1/2	100 1/2	Jan 8
ACTIVE BONDS.					do income.	79 1/2	79 1/2	79 1/2	Jan 12
ACTIVE BONDS.					Revere & N. 1st 5s.	102 1/2	102 1/2	101 1/2	Jan 12
ACTIVE BONDS.					do J C col 4s.	100	100	100 1/2	Jan 4
ACTIVE BONDS.					Rio Grande Southern 4s.	72 1/2	72 1/2	72 1/2	Jan 11
ACTIVE BONDS.					Rio Grande W 4s.	98 1/2	99	97 1/2	Jan 11
ACTIVE BONDS.					do col tr 4s.	90		90	Jan 3
ACTIVE BONDS.					St L & Iron M 5s.	116 1/2	116 1/2	116	Jan 9
ACTIVE BONDS.					do ref 4s.	93	93 1/2	92 1/2	Jan 12
ACTIVE BONDS.					do Kiver & Gulf Div 4s.	94 1/2	94 1/2	94 1/2	Jan 9
ACTIVE BONDS.					St L & S F ref 4s.	85 1/2	85 1/2	85 1/2	Jan 2
ACTIVE BONDS.					do general 6s.	113 1/2	113 1/2	113 1/2	Jan 12
ACTIVE BONDS.					St L & Southwest 1st 5s.	98 1/2	98 1/2	97 1/2	Jan 12
ACTIVE BONDS.					do 2d income.	84			
ACTIVE BONDS.					do consol 4s.	81 1/2	82	81	Jan 8
ACTIVE BONDS.					St Paul, M & M con 6s.	102 1/2	102 1/2	102 1/2	Jan 12
ACTIVE BONDS.					St Paul, M & M 4 1/2s.	111 1/2			
ACTIVE BONDS.					do Montana ext 4s.	103 1/2	103 1/2	103 1/2	Jan 6
ACTIVE BONDS.					San An & A P 4s.	88 1/2	88 1/2	87 1/2	Jan 11
ACTIVE BONDS.					Seaboard Air Line 4s.	102 1/2	103	103	Jan 9
ACTIVE BONDS.					do 4s.	90 1/2	91	90 1/2	Jan 9
ACTIVE BONDS.					So Car & Ga 1st 5s.	108 1/2	108 1/2	107 1/2	Jan 3
ACTIVE BONDS.					do 4s, 1902	96 1/2	96 1/2	95 1/2	Jan 12
ACTIVE BONDS.					do 4s.	94	93	94	Jan 12
ACTIVE BONDS.					Southern Railway 5s.	118 1/2	118 1/2	118 1/2	Jan 4
ACTIVE BONDS.					do Memphis Division 5s.	116 1/2			
ACTIVE BONDS.					do M & O col 4s.	98	98	97 1/2	Jan 3
ACTIVE BONDS.					do St Louis Div 4s.	99 1/2	99 1/2	98 1/2	Jan 3
ACTIVE BONDS.					Standard Rope & Twine Inc	2 1/2	2 1/2	2 1/2	Jan 2
ACTIVE BONDS.					Tennessee Coal & Iron gen	98	98	98 1/2	Jan 5
ACTIVE BONDS.					Term Ass'n St L ref 4s.	98 1/2	98 1/2	99 1/2	Jan 9
ACTIVE BONDS.					do 1st income.	122 1/2	123	123	Jan 12
ACTIVE BONDS.					do income.	95 1/2	95 1/2	95 1/2	Jan 4
ACTIVE BONDS.					Third Avenue 4s.	94 1/2	94 1/2	94 1/2	Jan 9
ACTIVE BONDS.					Toledo, St Louis & W 3 1/2s.	98 1/2	98 1/2	98 1/2	Jan 3
ACTIVE BONDS.					do 1st 4s.	83 1/2	83 1/2	83	Jan 10
ACTIVE BONDS.					Union Pacific 4 1/2 per cent	106	106 1/2	105 1/2	Jan 9
ACTIVE BONDS.					Union Pacific 1st 4s.	108	108 1/2	107 1/2	Jan 12
ACTIVE BONDS.					do convertible 4s.	157	157	153 1/2	Jan 12
ACTIVE BONDS.					United Rys San Fran 4s.	88 1/2	88 1/2	87 1/2	Jan 11
ACTIVE BONDS.					do St Louis 4s.	88 1/2	88 1/2	88 1/2	Jan 8
ACTIVE BONDS.					United States Red & Ref 6s	100 1/2	100 1/2	100 1/2	Jan 3
ACTIVE BONDS.					U S Steel 5s.	97 1/2	97 1/2	96 1/2	Jan 12
ACTIVE BONDS.					Va Car Chemical col tr 5s.	110 1/2	110 1/2	110 1/2	Jan 5
ACTIVE BONDS.					Wabash 1st 5s.	116 1/2	116 1/2	116 1/2	Jan 2
ACTIVE BONDS.					do 2d 5s.	95 1/2	95 1/2	94 1/2	Jan 2
ACTIVE BONDS.					do debenture B.	75 1/2	75 1/2	73 1/2	Jan 6
ACTIVE BONDS.					Wabash-Pitts Term 1st.	87 1/2	87 1/2	86	Jan 8
ACTIVE BONDS.					Wabash-Pitts Term 2d.	36 1/2	36 1/2	34 1/2	Jan 3
ACTIVE BONDS.					West Maryland 4s.	88	88 1/2	87 1/2	Jan 8
ACTIVE BONDS.					West N Y & C 1st 5s.	111 1/2	111 1/2	111 1/2	Jan 12
ACTIVE BONDS.					do general 4s.	97 1/2	97 1/2	97 1/2	Jan 10
ACTIVE BONDS.					West Union col tr 5s.	107 1/2	108	107 1/2	Jan 4
ACTIVE BONDS.					do R E & ref 4 1/2s.	104 1/2	104 1/2	104 1/2	Jan 5
ACTIVE BONDS.					West Virginia 4s.	92	92	91 1/2	Jan 11
ACTIVE BONDS.					Wheeling & L E con 4s.	108	108	108	Jan 11
ACTIVE BONDS.					Wisconsin Central 4s.	95	95	95	Jan 12

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7 WALL STREET, NEW YORK.

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UNDIVIDED PROFITS, \$514,163

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OF NEW YORK,

139 Broadway.

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SURPLUS, 1,000,000
UNDIVIDED PROFITS, 1,084,000

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We shall be glad to submit list of bonds of that character, which we have no hesitancy in recommending as suitable for the **most conservative investment uses**. The income return ranges from about **4.50 per cent. to 5.25 per cent.**, and we believe that in many cases the bonds compare favorably with the better class of steam railroad mortgages selling upon a 4 per cent. to a 4.25 per cent. basis.

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Minimum Prices at New York, unless otherwise specified.—Corrected each week to Friday.

	This Week.	Last Year.		This Week.	Last Year.		This Week.	Last Year.		This Week.	Last Year.
APPLES—			DRUGS—Continued.			LEATHER—Cont'd.			SPICES—Continued.		
Fresh, bul., average.....	2.50	1.57½	Cut. 4½	4½	Glazed kid.....	19½	18½	Pepper.....	11½	12½	
Dried, lb.....	9¼	5	Gambler.....	4½	Oil grain, No. 1, 8 to 7 oz.	18½	15½	Nutmegs.....	15½	19	
BEANS—Baga.....	3.05	2.65	Glycerine.....	11½	Glove grain, No. 1, 4 oz.	14	11½	SPIRITS—Cin., gallon.	1.29	1.24	
Medium.....	2.05	1.82½	Gum Arabic.....	25	Satin, No. 1, large, 4 oz.	15	12	SUGAR—			
BUOY & SHOES—pr			Benzoin.....	40	Split, Crimpers' No. 1, lt.	23½	20	Raw Muscovado, 100 lbs	3.12	4.37	
Men's grain shoes.....	1.55	1.17½	Senegal.....	11	Belted butt.....	42	37	Refined, crushed.....	5.35	6.50	
Creedmore split.....	1.47½	1.15	Shallac.....	60	LUMBER—Per M.			Standard, granu., net	4.55	5.70	
Men's satin shoes.....	1.57½	1.22½	Tragacanth, best.....	65	Soft, spruce.....	22.00	18.00	TEA, lb—Formosa, fr.	13½	14	
Wax brogans, No. 1.....	1.20	1.02½	Indigo.....	47½	White pine b. b.....	22.00	21.00	Pine.....	28	29	
Men's kip shoes.....	1.32½	1.20	Morphine.....	2.10	Hard, oak.....	47.00	45.00	Japan, low.....	13	13	
Men's calf shoes.....	2.10	1.85	Nitrate soda, 100 lbs.	2.20	Cherry.....	47.00	42.00	Best.....	30	32	
Men's split boots.....	1.77½	1.45	Oil Anise, lb.....	1.30	Whitewood.....	91.00	91.00	Hyson, low.....	9	10	
Men's kip boots.....	1.70	1.57½	Bergamot.....	2.15	METALS—Per ton.	48.00	46.50	Best.....	40	45	
Men's calf boots.....	2.70	2.45	Cassia.....	80	Iron, pig, dry, Phila., No. 2	18.50	17.50	TOBACCO—Louis, lb.			
Women's grain.....	1.47½	1.07½	Opium.....	2.87½	Bessemer, Pittsburg.....	18.35	16.85	Burley red.....	7	11	
Women's split.....	1.12½	80	Oxalic acid.....	5	Gray forge, Pittsburg.....	17.25	15.85	Common, short.....	8½	13	
Women's satin.....	1.20	85	Potash.....	6½	Steel rails.....	28.00	28.00	Medium.....	10	15	
BUILDING MATLS			Prussiate potash.....	14	Bar, refined, per 100 lbs.	1.83½	1.63½	Fine.....	15	20	
Brick, State com., per M.	10.00	7.50	Quicksilver.....	55	Plate, tank steel.....	1.74½	1.64½	Burley, colory.	11½	12	
Lime, Eastern com., bul.	75	70	Guilaine, bul.....	19	Bar, iron, common, Pitts.	1.70	1.50	Common.....	13½	17	
Glass, window, less dis.	2.45	2.72	Sai ammoniac.....	9¼	Structural beams, "	1.70	1.50	Dark, rehandling.	5½	4½	
Lath, Eastern spruce.....	5.50	3.50	Saltpetre, 100 lbs.....	4.37	Structural angles, "	1.70	1.50	Common.....	5½	4½	
BURLAP—			Sarsaparilla, lb.....	26	Wire nails, "	1.85	1.75	Medium.....	6½	5	
½ oz., 40 in.....	6.25	5.00	Soda ash, 100 lbs.....	85	Cut nails, "	1.75	1.75	Common.....	6½	5	
¾ oz., 40 in.....	5.10	4.00	Sulphuric acid.....	1.20	MOULASS—No. 27	2.80	2.20	Dark, export.	19.00	15.12½	
COFFEES—No. 7 Rio, lb	8½	8½	Sumac, Va., lb.....	42	Copper.....	19.00	15.12½	Medium.....	6½	4½	
Roasted, package.....	13	12½	Vitriol, blue.....	5½	Lead.....	5.95	4.60	TURPENTINE—Gal.	67½	53½	
CUTTINGDS—Pr-yd			FERTILIZERS—		Tin.....	36.75	29.05	VEGETABLES—bbi.	1.00	50	
Brown sheeting, stan'd.	28½	23	Ground bone, ton.....	22.00	Tin plates.....	3.60	3.74	Cabbages.....	1.50	2.00	
Wide sheeting, 10-4.....	8½	7½	Calc., ammonia, 100 lbs.	3.10	MOULASS—No. 27	2.80	2.20	Onions.....	1.85	1.42	
Bleached sheeting, 4-4.....	7½	6	FISH—		OIL—Lined, gal.....	42	43	Potatoes.....	50	65	
Medium.....	7½	6	Cod, Georges, cwt.....	8.50	Vegetable.....	7½	7½	Turnips.....	28.01	25.79	
Brown sheeting, 4 yds.....	6½	5	M'K'l, Halifax, No. 1, bbl	26.00	Cocoanut, Cochln.....	34	28	Wool—Phila, lb.	35	34	
Standard prints.....	5	5	FLOUR—		Corn.....	34	28	Average 100 grades.....	33	32	
Brown drill, 4-4.....	7½	6	Clear, bul.....	3.25	Cottonseed oil, prime.....	66	59	Ohio XX.....	33	32	
Staple ginghams.....	5½	5	Patents.....	4.60	Animal.....	49	48	Medium.....	33	37	
Blue delains, 9-oz.....	13½	12½	GRAIN—Bushel.		Lard, prime.....	40	39	XX.....	33	32	
Print cloths.....	3½	2½	Barley.....	45	Extra No. 1.....	34	36	XX.....	33	30	
DAIRY—Butter—lb.	27	29½	Malt.....	58	Cod, domestic.....	40	39	Medium.....	38	37	
Creamery, fancy.....	25	25	Oats.....	37	Newfoundland.....	1.58	1.45	Combining and Delaine	36	36	
State dairy, extras.....	27	27	Rye.....	76	Mineral.....	7.60	7.50	Washed, fine.....	40	38	
Cheese—lb	14	12	Wheat.....	95½	Petroleum, crude.....	4.70	4.60	Medium.....	41	38	
State, f. c., small, fancy.	11½	12	RAY—100 lbs. No. 2.....	70	Refined, barrels, cargo.....	2	2½	Low.....	37	33	
F. c., small, common.....	8½	8½	HEMP—lb.	10	Bur.....	1.30	1.07½	Coarse.....	34	32	
Eggs—doz.....	33	36	Manila, current, spot.....	9½	PAPER—News, lb.....	4.70	4.94	Unwashed, medium.....	33	32	
Nearby, fancy, best.....	26	27	Superior seconds, spot.....	15½	PEAS—Choice, bags.....	6.00	5.25	Quarter blood.....	30	29	
Western, fresh gath., ex.	1.40	1.50	HIDES, Chicago, lb.	15½	PROVINS—100 lbs.....	7.80	7.00	Unwashed, light fine.....	18	17	
DRUGS & CHEM'S—			Baker, No. 1 native.....	14½	Beef, live.....	14.75	13.00	Heavy.....	18	15	
Alum, 100 lbs.....	1.75	1.75	No. 1 Texas.....	13½	Hogs, live.....	4.62½	4.75	Woolen GDS—Yd.	1.47½	1.27	
Arsenic, white, lb.....	6½	3½	Colorado.....	14½	Lard.....	5.04	5.04	Clay worsteds, 16 oz.....	1.50	1.02½	
Bi-chrom. soda, 100 lbs.....	1.30	1.30	Cows, heavy native.....	13½	Pork, mess.....	1.50	1.25	Thibet, all wool, 24 oz.....	1.20	1.07½	
Bi-chrom. potash, lb.....	8½	8½	Branded.....	14½	Sheep, live.....	90	90	Dress goods, fancy.....	35	30	
Bleaching pow'r, 100 lbs	1.25	1.25	Country, No. 1 steers.....	14½	Tailor's.....	95	95	Talbot "T" flannels.....	1.50	1.37½	
Borax, lb.....	7½	7½	No. 1 cows, heavy.....	13½	RICE—Dom. prime, lb.....	4.14	4.02½	Cashmere, cotton warp.....	22½	21	
Brimstone, ton.....	22.25	21.45	No. 1 Buff Hides.....	14	RUBBER—Para, fine.....	6	6	Plain chevrons, 14 oz.....	97½	95	
Calomel, lb.....	77	77	No. 1 Kip.....	14	SALT.....	13½	12½	Serges, 12 oz.....	1.00	91	
Camphor.....	91½	77	No. 1 Calfskins.....	15½	LAVERPOOL.....						
Carb. ammonia.....	11	9½	No. 1 X Ste., choice.....	19½	SILK—Raw, lb.....						
Castor oil.....	11	9½	JUTE—Spot, lb.....	4.75	SOAP—Castile lb.....						
Caustic soda 70p.c., 100 lbs	1.75	1.75	LEATHER—		SPICES—						
Chloroform, lb.....	25	35	Hemlock sole, B. A., lt.....	25							
Chlorate potash.....	9¼	8½	Non-acid, common.....	24							
Cream tartar.....	22½	24½	Union backs, heavy.....	36							

Fiscal year begins July 1, except roads marked (*), which are January 1.

REPORTS OF RAILROAD EARNINGS.

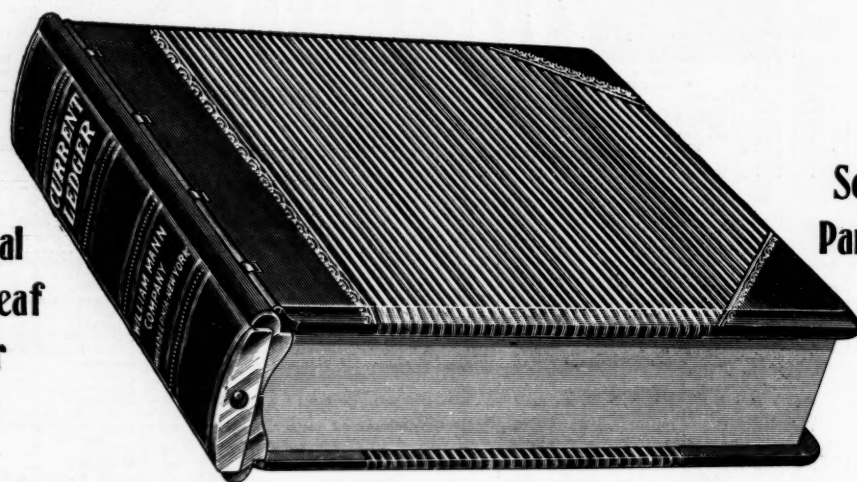
LATEST GROSS EARNINGS.

LATEST NET EARNINGS.

Mileage				Month			Fiscal Year to Latest Date.		Month		Fiscal Year to Latest Date
				1905.			1905.		1904.		1904.
3,490 3,422			N. Y. Central.....	December	\$7,746,053	\$6,893,954	\$6,095,062	\$7,733,209	Nov.	\$1,320,245	\$1,779,293
2,151 2,150			Erie.....	November	2,402,221	2,402,221	2,402,221	19,992,361	Nov.	3,351,052	\$6,721,202
3,706 3,706			Pennsylvania.....	November	12,580,725	10,453,525	12,713,619	108,047,419	Nov.	4,313,552	3,351,052
3,884 3,884			Baltimore & Ohio.....	November	6,591,374	5,757,747	32,159,888	29,132,457	Nov.	2,245,287	1,995,725
4,085 4,082			Grand Trunk.....	December	3,401,472	3,185,857	20,190,640	19,055,592	Oct.	840,444	828,278
2,517 2,517			Washash.....	Jan. 1 wk.	420,506	400,409	13,109,149	14,206,376	Oct.	751,253	631,252
1,415 1,415			Pitts., C. C. & St. L.....	November	2,461,518	2,067,205	24,291,761	21,987,711	Nov.	756,212	447,013
1,891 1,891			C. C. C. & St. L.....	November	2,055,725	1,892,645	20,475,747	20,135,716	Nov.	453,851	416,766
602 639			Jersey Central.....	November	2,078,776	1,840,004	10,716,092	9,488,586	Nov.	1,040,165	919,921
1,015 1,011			Reading.....	November	3,618,960	3,135,858	13,969,365	13,563,363	Nov.	1,552,530	1,681,670
1,393 1,392			Lehigh Valley.....	November	3,074,556	2,746,087	14,563,589	13,220,235	Nov.	1,256,934	1,189,858
548 548			N. Y. Ont. & W.....	November	620,628	578,542	3,430,497	3,114,945	Nov.	170,387	168,621
307 307			Philadelphia & Erie.....	October	897,843	729,319	6,740,945	6,394,515	Oct.	271,842	276,074
638 499			Buffalo, Roch. & P.....	Jan. 1 wk.	133,054	136,562	4,741,935	4,345,413	Nov.	304,364	307,201
450 450			Northern Central.....	November	965,637	894,837	9,692,309	9,462,908	Nov.	227,460	209,960
712 712			Phila., Balt. & Wash.....	November	1,302,659	1,162,159	13,524,046	12,501,242	Nov.	429,549	365,549
880 880			Lake Erie & West.....	June	2,277,854	2,325,228	2,277,854	2,325,228	Nov.	181,274	1,122,316
347 347			Hocking Valley.....	November	587,995	540,759	2,624,733	2,624,733	Nov.	227,027	1,122,316
4,374 4,340			Illinois Central.....	November	4,699,720	4,439,650	20,659,017	21,577,499	Oct.	1,297,006	1,602,932
915 915			Chicago & Alton.....	November	1,543,331	1,154,331	5,173,490	5,863,478	Nov.	307,066	404,999
818 874			Chicago Great West.....	December	742,202	645,035	4,588,349	3,983,788	Nov.	234,563	243,887
977 977			Wisconsin Central.....	November	602,976	584,160	3,094,343	2,999,441	Nov.	237,537	204,997
6,908 6,829			St. Paul.....	November	4,972,589	4,524,251	24,256,173	22,437,551	Nov.	1,954,248	1,830,835
1,682 1,671			Omaha.....	November	1,254,120	1,099,203	5,848,502	5,432,500	Nov.	1,486,580	1,361,914
7,408 7,404			Northwest.....	November	5,636,926	4,833,951	22,438,915	19,499,932	Nov.	687,574	558,987
7,281 7,205			Rock Island.....	November	4,553,438	4,132,405	25,468,517	19,499,932	Nov.	1,486,580	1,361,914
1,774 1,530			Minn., St. P. & N. W.....	Dec. 3 wks.	651,068	519,824	6,779,762	4,396,466	Nov.	687,574	558,987
4,068 4,068			Atlantic Coast Line.....	November	2,115,769	1,947,871	9,297,705	8,236,361	Nov.	774,422	791,048
7,199 7,164			Southern.....	Jan. 1 wk.	886,444	787,957	27,413,325	25,717,731	Nov.	1,371,035	1,274,573
1,708 1,671			Chesapeake & Ohio.....	November	2,033,482	1,719,680	9,816,327	7,737,392	Nov.	812,898	623,598
1,833 1,769			Norfolk & Western.....	November	2,299,304	1,980,067	11,912,847	10,949,847	Nov.	337,152	288,251
3,618 3,439			Louisville & Nash.....	December	3,532,250	3,438,863	21,021,066	19,975,394	Nov.	1,105,001	1,039,962
926 912			Mobile & Ohio.....	December	763,450	716,674	4,501,903	4,242,184	Nov.	337,152	288,251
1,226 1,212			Nashville, Chat.....	November	904,166	827,349	4,366,974	4,327,191	Nov.	201,589	206,097
338 338			Clin., N. O. & T. P.....	Dec. 2 wks.	283,041	260,435	2,630,444	2,439,333	Nov.	411,590	437,606
1,878 1,865			Central of Georgia.....	December	1,012,826	996,522	5,964,672	5,484,080	Oct.	411,590	437,606
2,611 2,607			Seaboard Air Line.....	October	1,290,127	1,205,468	4,715,528	4,308,706	Oct.	463,210	445,628
1,210 1,173			Yazoo & Mississippi.....	November	884,204	999,717	2,955,790	3,600,145	Nov.	222,157	432,318
8,305 8,180			Atch., Top. & S. F.....	November	6,910,668	6,487,013	31,813,735	28,379,904	Nov.	2,888,182	2,699,556
5,030 4,217			St. L. & San Fran.....	November	3,852,288	3,610,405	17,823,875	17,184,400	Nov.	1,394,844	1,213,672
5,305 5,182			Missouri Pacific.....	Jan. 1 wk.	589,000	618,000	11,851,577	11,221,822	Nov.	1,054,397	1,054,397
3,043 2,884			Chi., Kan. & Tex.....	Jan. 1 wk.	312,163	303,886	11,851,577	11,221,822	Oct.	877,202	832,906
2,420 2,398			Denver & Rio G.....	Jan. 1 wk.	328,800	293,400	10,286,000	9,087,900	Nov.	746,112	746,674
1,452 1,399			St. L. Southwestern.....	Jan. 1 wk.	146,417	146,267	4,741,167	4,899,300	Nov.	274,806	289,204
1,707 1,685			Texas & Pacific.....	Jan. 1 wk.	232,858	236,522	232,858	236,522	Nov.	274,806	289,204
1,104 1,006			Int. Great Northern.....	Jan. 1 wk.	92,000	92,000	92,000	92,000	Nov.	274,806	289,204
1,118 1,120			Colorado Southern.....	December	1,037,427	876,264	6,107,348	5,028,187	Nov.	364,194	245,801
5,723 5,623			Great Northern.....	December	4,357,842	3,710,298	28,129,488	24,405,840	Nov.	2,888,182	2,699,556
5,815 5,262			Northern Pacific.....	December	5,110,632	4,362,637	32,801,160	27,985,424	Nov.	2,888,182	2,699,556
5,352 5,265			Union Pacific.....	November	6,109,535	5,719,798	30,241,887	26,551,122	Nov.	3,615,996	3,380,456
7,990 7,908			Southern Pacific.....	November	9,618,799	9,071,428	44,674,005	41,056,783	Nov.	3,615,996	3,380,456
8,568 8,332			Canadian Pacific.....	Jan. 1 wk.	1,021,000	778,000	32,351,794	27,672,880	Nov.	2,361,311	1,669,575
3,154 3,026			Mexican Central.....	November	2,171,546	2,010,009	11,230,442	10,256,375	Nov.	549,106	597,726
880 880			Mexican Int.....	Dec. 3 wks.	406,319	381,712	6,278,374	6,693,582	Nov.	292,628	238,920
321 321			Mexican R. R.....	Oct. 1 wk.	108,500	121,000	4,776,790	4,870,190	Nov.	549,106	597,726
1,405 1,355			National of Mexico.....	Dec. 3 wks.	185,276	224,059	12,249,035	11,195,927	Nov.	405,564	308,644

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BANKING NEWS.

New National Banks.

The First National Bank of Berthoud, Col. (8033). Capital \$25,000. T. H. Robertson, president; J. A. Cross, vice-president; G. E. Loomis, cashier.

The First National Bank of West Derry, Conn. (8038). Capital \$25,000. R. W. Pillsbury, president; E. N. Whitney, vice-president; J. H. Weston, cashier.

The Mineola National Bank of Mineola, Tex. (8037). Capital \$50,000. R. N. Stafford, president; A. Patten, vice-president; J. C. Edelen, cashier; H. W. Meredith, assistant cashier.

The First National Bank of Schulenburg, Tex. (8034). Capital \$25,000. R. A. Wolters, president; F. B. Kessler and H. P. Schaefer, vice presidents; Gus Russek, cashier.

Applications to Organize.

The First National Bank of Hartsells, Ala. Capital \$25,000. Application filed by A. E. Jackson.

The Merchants' National Bank of San Francisco, Cal. Capital \$200,000. Application filed by A. D. Cutler.

The First National Bank of Julesburg, Col. Capital \$25,000. Application filed by W. E. Coumbe.

The Farmers' National Bank of Oskaloosa, Iowa. Capital \$100,000. Application filed by R. K. Davis.

The First National Bank of Mound Valley, Kan. Capital \$25,000. Application filed by F. P. La Rue.

The First National Bank of Guymon, Okla. Capital \$25,000. Application filed by Sanford Denny.

New State Banks, Private Banks and Trust Companies.

The Bank of Cave City, Ark. Capital \$10,000. L. A. Kaman, president. Organizing.

The Southern Investment Co., of Little Rock, Ark. Capital \$100,000. Incorporated.

The People's Bank of Doerun, Ga. Paid capital \$15,000. W. B. Jones, president; C. B. Harrell, vice-president; J. C. Fincher, cashier. To commence business January 15.

The Bank of Lenox, Ga. Branch of the Merchants & Farmers' Bank, Tifton.

The Bank of Norman Park, Ga. Applied for a charter. Paid capital \$15,000.

The First Bank of Ponderay, Idaho. Capital \$10,000. J. H. Ehlers, president; D. W. Casseday, vice-president; S. B. Phillips, cashier.

The Bank of Commerce, Chicago, Ill. Organizing.

The Bank of Scottsville, Ill. Private. Owen Cattell, president; Robert L. Cattell, cashier.

The Southern Trust Co. of Hugo, Ind. Ter. Branch of Atoka.

The Bank of Lowndes, Mo. Capital \$10,000. Incorporated.

The Farmers & Merchants' Bank of Prairie Hill, Mo. Capital \$5,000. H. Wright, president; P. C. Epperly, vice-president; J. C. Naylor, cashier.

The German-American Bank of Auburn, Neb. Peter Berlett, president; C. E. Ord, vice-president; J. M. Wright, cashier.

The First State Bank of Gresham, Ore. Incorporated.

The Scranton Trust Co., of Scranton, Pa. Incorporated. Paid capital \$125,000. L. A. Watres, president; W. F. Hallstead and H. A. Knapp, vice-presidents; D. B. Atherton, secretary and treasurer.

The Bank of Mount Carmel, S. C. Paid capital \$20,000. B. F. Mauldin, president; J. W. Boyd, cashier.

The People's State Bank of Canova, S. Dak. Capital \$10,000. W. H. Butler, president; C. A. Butler, vice-president; M. F. Beveridge, cashier. To commence business January 20.

The Carter County Bank of Elizabethton, Tenn. Capital \$25,000. J. J. McCorkle, president; L. F. Miller, vice-president; T. J. Williams, cashier.

The Bluffdale State Bank, of Bluffdale, Tex. Capital \$10,000. Incorporated.

The First State Bank of Paducah, Tex. Capital \$10,000. Incorporated.

The Little Chute Bank, of Little Chute, Wis. Capital \$15,000. Organizing.

The Central Wisconsin Trust Co. of Madison, Wis. Incorporated. Capital \$300,000. Wm. F. Vilas, president; M. Swenson, vice-president; L. M. Hanks, secretary; J. M. Boyd, treasurer.

The Farmers & Merchants' Bank of Santa Paula, Cal. Capital \$50,000. Incorporated.

The Toombs County Bank of Lyons, Ga. Capital \$75,000. E. J. Giles, president; R. L. Page, vice-president; W. H. Easterling, cashier.

The Southern Trust Co., of Antlers, Ind. Ter. Branch of Atoka.

The Citizens' Bank of Herbert, Ind. Ter. Capital \$50,000. E. M. Christopher, president; H. P. Ward, vice-president; C. E. Christopher, cashier.

The Afro-American Trust Co., of Louisville, Ky. Organizing.

The Cosmopolitan Bank & Trust Co. of New Orleans, La. Capital \$800,000. Surplus \$200,000. Organizing.

The Bank of Slidell, La. Capital \$30,000. D. Salmen, president; C. E. Everett, cashier.

The Browerville State Bank, of Browerville, Minn. Paid capital \$10,000. Thos. Heid, president; M. C. Tift, vice-president; J. J. Reichert, cashier; F. G. Reichert, assistant cashier.

The Bank of Nashua, Mo. Capital \$12,000. J. W. Tillman, president; A. M. Thompson, vice-president; W. T. Elliott, cashier.

The Bartlett Trust Co. of St. Joseph, Mo. Capital \$100,000. Incorporated.

The Citizens' Bank of Warrenton, N. C. Paid capital \$20,000. W. B. Boyd, president; M. P. Burwell, vice-president; R. T. Watson, cashier.

The Bank of Fairfield, Winoosboro, S. C. Capital \$30,000. W. R. Rabb, president; T. W. Traylor, vice-president; T. W. Ruff, secretary and treasurer; J. M. Jennings, cashier.

The Wasatch Trust Co. of Salt Lake City, Utah. Capital \$1,000,000. Organizing.

The Farmers' Bank of Ellensburg, Wash. Capital \$25,000. Jas. Ramsey, president; H. S. Elwood, vice-president; J. C. Sterling, cashier; R. C. Barnes, assistant cashier.

The Clarke County Bank of Washougal, Wash. Private. C. M. Keep & Co., proprietors.

Changes in Officers.

The Studabaker Bank of Bluffton, Ind. John S. Gilleland, vice-president; Ralph S. Todd, cashier.

The People's Trust & Savings Co. of Fort Wayne, Ind. Wm. P. Breen is now president.

The Franklin County Savings Bank of Farmington, Me. Geo. B. Cragin is now president.

The Farmers & Mechanics' Savings Bank of Minneapolis, Minn. N. F. Hawley is now secretary and treasurer.

The Bank of Anderson, S. C. The officers now are: B. F. Mauldin, president; J. A. Brock and J. N. Brown, vice-presidents; J. T. Holleman, cashier; A. M. Sharpe, assistant cashier.

The Citizens' National Bank of Whitney, Tex. F. E. McLarty is now cashier.

The First National Bank of Mount Olive, Ill. C. B. Munday is now president.

The Citizens' Bank of Wakita, Okla. W. A. Miller is now president; I. O. Trask, cashier.

The St. Matthews Savings Bank, of St. Matthews, S. C. J. S. Wannamaker is now president; C. R. James, cashier.

Miscellaneous.

The Bank of Prairie Grove, Ark. has been succeeded by The First National Bank (8030). Capital \$25,000.

H. N. Schuyler & Son, of Pana, Ill., have been succeeded by the H. N. Schuyler State Bank.

Capital \$200,000. H. N. Schuyler, president; J. E. Reese, vice-president; F. A. Cutler, cashier.

The Merchants' Bank of Morristown, Tenn. Item in DUN'S REVIEW of January 6, to the effect that this bank had been succeeded by the City National Bank, was erroneous.

The Farmers and Merchants' Bank of Wewoka, Ind. Ter., is to be succeeded by the Farmers' National Bank. Capital \$25,000. Application to organize filed by L. A. Parmenter.

The Bank of Central City, Iowa, has been succeeded by the State Bank. Capital \$25,000. P. G. Henderson, president; E. K. Hatch, vice-president; E. Laclere, cashier.

The Palo Alto County Bank of Emmetsburg, Iowa, has been succeeded by the Emmetsburg National Bank (8035). Capital \$50,000.

The Farmers' Bank of Goodell, Iowa, has been absorbed by the State Savings Bank. T. R. Burgess, president; E. J. Bauman, cashier.

The Citizens' Bank of Royal, Iowa, has been succeeded by the Citizens' Savings Bank.

The Dickinson County State Bank of Spirit Lake, Iowa, has been succeeded by the Spirit Lake National Bank (8032). Capital \$50,000.

The Citizen's Bank of Webb, Iowa, has been succeeded by the Citizens' Savings Bank.

The Bank of Wolverine, Mich., has been succeeded by the Wolverine State Savings Bank. Capital \$10,000. S. W. Buck, president; E. B. Bolton, vice-president; J. E. Wiggins, cashier.

The Capital Bank of St. Paul Minn. W. D. Kirk, president, is dead.

The Winona Deposit Bank, of Winona, Minn. H. W. Lamberton, president, is dead.

The Farmers' Bank of Santa Rosa, Mo., is now incorporated. Paid capital \$10,000. W. Price, president; C. D. McCrea, cashier.

The Farmers' State Bank of Hayes Center, Neb., has been succeeded by the First National Bank. (8031). Capital \$25,000.

The People's National Bank of Salem, N. Y. B. C. Haggart, cashier, is dead.

The Kramer State Bank, of Kramer, N. Dak., has been succeeded by the First National Bank. (8029). Capital \$25,000.

The Farmers & Merchants' Bank of Forest Grove, Ore., has been converted into the First National Bank. (8036). Capital \$25,000. R. M. Dooley, president; J. E. Loomis, vice-president; O. B. Loomis, cashier.

The Marshall and Illsley Bank of Milwaukee, Wis., has increased its capital to \$500,000.

The County Savings Bank & Trust Co. of Scranton, is to change its title to the County Savings Bank.

Home Life Statement.

The forty-sixth annual statement of the Home Life Insurance Company, of which Geo. E. Ide is president, shows assets of \$17,886,594.88, an increase during the year of \$1,280,365.81.

The reserve required by the State for the guarantee of policy contracts is \$16,262,817.00.

The Home Life Insurance Company apportions its dividends annually, even on its deferred dividend policies, and policy-holders can at any time learn definitely what the growth of their individual accumulations has been.

Against these accumulations the company maintains a definite liability fund, which now amounts to \$1,453,907.00, an increase for the year of \$163,371.00. The real estate of the company is carried at its actual cost, which is below the real value. Its securities are worth \$189,352.13 above cost, but a fund of \$225,000 is voluntarily carried as a liability to meet possible fluctuation in the price of securities.

The general contingency fund, in addition to the above item, is \$1,204,400.47. The insurance in force has increased \$4,883,051.00 during the year.

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